



**The gap between Learning and Teaching in Accounting  
Education: the Saudi Arabian Experience**

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## **Abstract**

Over the past few decades, there has been an expectation gap between what accounting education has delivered and what accounting practice has received. Practitioners want university education to train students for specific tasks and circumstances to prepare them for the reality of the work environment. On the other hand, academics want university education to be broad and comprehensive, and carrying an academic character.

The research has made significant contributions to knowledge regarding the nature of the gap between accounting learning and practice in SA. The study has revealed unexpected results in relation to the gap in accounting education, which can be explained through the profession's first appearance in SA and the influence of the American accounting framework on professional accounting education in SA. Moreover, this study has made other contributions in terms of methodology, theory, and practice.

This study uses a novel framework to understand the gap, in the context of Saudi Arabia. The study uses an abductive approach to investigate the 'what' and 'why' reasons for the gap, characterize its details, and propose recommendations for bridging it. It is the first of its kind to analyse qualitatively the perspectives of five main groups of stakeholders in the accounting system (accounting educators, final year students, fresh employees (1-4 year of experience), the professional body and employers) and compare their perspectives about the competencies of accounting graduates.

The findings show that a gap between learning and practice exists in university accounting education in Saudi Arabia. Employers believe that accounting graduates lack the required technical competencies for the workplace. All participant groups affirmed that collaboration between the profession and the academic is in order, to bridge this gap.

University accounting curricula need to change and be updated in order to meet the rapid developments in the business environment.

**Keywords:** Accounting education, Accounting practice, University accounting education, SOCPA, Accounting gap, Professionalization, Saudi Arabia.

## Declaration

Whilst registered as a candidate for the above degree, I have not been registered for any other research award. The results and conclusions embodied in this thesis are the work of the named candidate and have not been submitted for any other academic award.

Word Count: 81,445 Words

Nujoud Abdulhadi Srdar

Signature:

Date: 24/03/2017

A handwritten signature in black ink, appearing to read 'Nujoud', with a large, sweeping horizontal flourish above the name.

### **List of Abbreviation and Acronym**

AAA	American Accounting Association
AAPA	American Association of Public Accounting
AAT	Association of Accounting Technicians
AAUIA	American Association of University Instructors of Accounting
ACCA	Association of Chartered Certified Accountants
AECC	Accounting Education Change Commission
AIA	American Institute of Accountants
AICPA	American Institute of Certified Public Accountants
ASCPA	American Society of CPAs
BA	Bachelor's Degree
CAQDAS	Computer-Aided Qualitative Data Analysis Software
CCA	Conventional Content Analysis
CPAs	Certified Public Accountants
CTP	Cooperative Training Program
GAAP	Generally Accepted Accounting Principles
HIOEC	High Income Oil Exporting Country
HRMs	Human Recourse Manegers
ICAP	Institute of Chartered Accountants of Pakistan
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IR	Interpretive Research
IT	Information Technology
KAU	King Abdul-Aziz University
KSU	King Saud University
NCT	Noticing-Collecting-Thinking Method
SOCPA	Saudi Organization for Certified Public Accountants
SAMA	Saudi Arabian Monetary Agency

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## **Dedication**

*To my Grandmother Soul “Hamda”:*

*I wish you were here to witness and share this day with me*

*I hope you rest in peace and May God grant you a place in paradise...*

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## **Chapter 1: Introduction and Background**

### **1.1 Introduction**

Over the last decade, scholars have argued about the gap in accounting, between learning and practice. This perceived gap between accounting practice and accounting education has lead to lack of efficiency in accounting graduates. High failure rates of universities' accounting students has become a matter of great concern throughout the world (Barnes et al., 2009), since accounting graduates face issues in terms of fulfilling the work environment requirements (Celik & Ecer, 2009; Parker et al., 2011).

Several factors have been highlighted within previous and recent studies concerning the cause of the gap in accounting between learning and practice. Previous and recent studies have argued that the challenging relationships between learning and practice in the accounting profession, could be the main reason for this gap (Grosu et al., 2015). The difficulty in the relationship between accounting academics and practitioners has caused what is known, in some accounting education literature, as the “*gap between academic and practice*”, alternatively Bloom et al. (1994) refer to it as “*the schism in accounting*”.

The two sides - academic and practitioner - have argued over the efficiency of the accounting practices produced from university accounting education. Karreman (2002) argues that the function of accounting education is to provide accounting students with the required knowledge and skills to practice accounting. On the other hand, the Cohen Commission Report (1977) argues that, “*Formal education does not adequately prepare students to meet*

*the demands and risks of professional practice*” (p.86). The reason for this statement is that academics claim that students should acquire a sufficient amount of theory knowledge before practicing accounting in the workplace. In contrast, practitioners argue that the instability of business environment events requires more practical skills than theoretical knowledge, in order to handle these rapid changes. Therefore, there is justification that university accounting education should provide professional accountants with the capabilities to meet the organisational needs, as well as the rapid change in the work environment.

Moreover, researchers have argued that some factors could affect accounting, both educationally and professionally, in society; hence, these factors could impact the existence of the gap between learning and practice in the products (the graduates) of the accounting education system (e.g., Alnamri, 1993; Kirk & Spector, 2006; Bui & Porter, 2010; Ali & Tinggi, 2013; Nayebzadeh et al., 2013). The researcher, in this study, defines these factors as internal and external factors in terms of influencing the existence of the gap. Internal factors could be represented in the components of the accounting education system such as academic qualification, curriculum evaluation and students' skills. External factors are driven from the surrounding environment of the system, such as the work environment, economic status and other social and cultural factors.

This argument is addressed in this thesis, as it seeks to evaluate university accounting education in Saudi Arabia (SA) in terms of providing graduates who meet the business sector's requirements. In addition, it investigates the factors that could influence the gap in accounting between learning and practice considering the country's economic status.

In this chapter, the researcher will discuss the first appearance of accounting in the form of university education and the association of this event with the gap in accounting, through the research problem background. The second section in this chapter will discuss accounting

education in high-income oil exporting countries (HIOECs), as the case in this study is SA and it is considered as one of the most important countries in this group. In addition, when studying the status of the accounting profession in any community, the surrounding environment should be considered in order to justify the factors that may affect the profession. Therefore, the following section in this chapter addresses the SA context in terms of its demographic background, and socio-cultural, economic and educational contexts. Further, the current status of accounting, both professionally and educationally in SA, will be underlined. Finally, the purpose of conducting such research has been included and why this study is considered to be significant and what this research contributes to the field of accounting education research.

## **1.2 Research problem background**

The business environment in the late 1800s was described by Edwards (1978) as a goodly business environment, where the number of companies in the USA increased. Due to the large number of companies formed in the USA the demand for accountants and auditors increased, consequently these companies started to use English accounting firms to carry out their audit functions. In addition, English auditors started to train American auditors, however the English auditors encountered a lack of qualifications and development within the American accounting profession (Bloom et al., 1994). As a result, a group of American accounting experts established the American Association of Public Accounting (AAPA) in 1887, in order to cover the need for trained accountants in the USA (Edwards, 1978). After much discussion and deliberation, the USA decided that accounting should become an education subject, and by 1892 it had been included within university education; with this step the USA became a pioneer. Between 1900 and 1926 the number of colleges and universities offering accounting courses increased from 13 to 335 (Allen, 1927; Bloom et al., 1994). Thus, accounting had moved from the “*apprenticeship training*” era to the

*“formal education”* era, which lead to the onset of the rift between practitioners and academics in accounting (Bloom et al., 1994).

The cause of this rift between the two parties; academic and practice, could be attributed to the different beliefs of economic theories. There are two types of the economic theory; classical and new framework theory. The classical framework, based on the vision of Smith (1776), assumes that the government is in control of the economy and working to organize its transactions. The competitive climate is under control to ensure freedom of transactions in the economic climate without obstruction. In other words, it is called a free risk market, which grows in an ideal and balanced climate. On the contrary, the new framework assumes rapid change in the environmental characteristics of the economy. It depends on uncertainty and unpredictable events. In addition, the classical role, established a few decade ago, is about the stability of the market, which does not exist anymore, due the changing economic climate (Bloom et al. 1994).

These economic theories have had an impact on accounting, as a profession, and hence on the thoughts of academics and practitioners. There are two accounting perspectives with regard to the economic theories: classical framework and new framework. In the view of the classical (free market) framework *“there is an assumed natural role for all type of institutions ... . By association accounting data with classical economic theory and rational optimization models, accountants deduce that relevant accounting information is needed to make optimal decisions”* (Bloom et al., 1994, p.3). In the new framework *“accountants function in a chaotic environment and are motivated by self-interest”* (p.5). Therefore, under the new framework, accountants enhance their efficiency in *“a complex dynamic environment”* while, under the classical framework accountants enhance their efficiency in a *“restrictive environment”*.

In terms of education, academics tend to adopt the classical economic framework where the free-risk market exists together with an ideal growth environment, while practitioners tend to adopt the new economic framework where the market is unstable and needs more attention.

Accordingly, the cause of this rift between the two parties, academic and practice could be attributed to economic theory beliefs. Practitioners wanted university education to train students for specific tasks and circumstances in accounting to prepare them for the reality of the work environment. On the other hand, academics wanted university education to be broad and comprehensive, and carrying an academic character. The academic view, in regard to accounting courses, was that the student faces structured problems, however, in contrast practitioners considered that the real work environment is about facing unstructured problems that are due to rapid changes in the economic environment and the resulting instability. Practitioners even claimed that the era of structured events in accounting has finished.

Disagreements between the two parties have continued until recently. In their award winning paper (2010) - best paper award from the American Accounting Association (AAA) - Moehrle et al. (2009) claim that academic accounting research pays more attention to the concepts that are taught, such as accounting theories and accounting concepts, while on the other hand paying less attention to the practical side of accounting, which connects directly to accounting professional practice.

Stevenson (1980) considered that almost the first reference to the word gap, between practice and academia in accounting, was in 1922, at the American Association of University Instructors of Accounting meeting (AAUIA) where it was argued that a gap exists between theory and practice in university accounting teaching. Thus, after the establishment of the

AAUIA the concept of the gap in accounting education has become well known. Bloom et al. (1994) refer to Stevenson (1980) and suggest that the gap in accounting education emerged with the onset of universities in 1900; however, they choose to remain with the word “*schism*”. The gap in accounting education is discussed in more detail in Chapter 2 Literature Review.

### **1.3 Accounting education in developing countries (and HIOECs)**

In order to meet the community's needs for accounting, it is necessary to consider the process of accounting education which can create academic and professional cadres capable of filling the needs of the work environment that seem to develop very quickly in particular economies.

According to Briston (1978), Hove (1986) and Wallace (1990) the need for qualified accountants has become increasingly more important, especially in developing countries. However, very few studies have investigated the development of the accounting education system in accordance with the state of these countries' economies, and whether their accounting education outcomes are capable of producing graduates to meet the workplace needs. For example, Shoenthal et al. (1991) attempted to investigate the professional accounting education of some fourteen developing countries according to their different economic state. Shoenthal et al. (1991) made a brief attempt at stating the influence of economic factors on these developing countries' accounting education systems. According to Mueller (1967; 1968) and Zeff (1972) accounting as a professional system should be identified according to the environmental factors, which can be economic, social, or cultural. Consequently, it is of interest to investigate accounting education systems in a country such as SA, which is considered as a “high income oil exporting country” (HIOEC). The discovery of oil in HIOECs changes their economic features, and has given rise to the need to develop their financial and economic systems to keep pace with the change. Accounting

systems in these countries have become one of the imperatives that should be improved in order to keep pace with constant change in the economic environment.

The majority of previous studies on the development of accounting professionally and educationally, in developing countries, have neglected the influence of the oil industry. An exception, is the study by Yapa and Wijewardena (1995) which deliberately excluded HIOECs from the list of developing countries when studying accounting system development.

Saudi Arabia is one of the few countries that has had its accounting education system explored (Al- Nafea, 2005); however, the majority of studies have focused on the technical problems in accounting or audit. Two recent studies by Al-Nafea (2005) and AlMotairy (2014) address the accounting education system in SA, however both investigated the system in relation to standards or models for accounting education. No study, so far, has explored whether the Saudi accounting education system suffers from a gap between learning and practice, or if the accounting education system in SA can produce graduates who meet the business sector's needs? Therefore, it is of value to explore the accounting education system in SA and to find out if such a situation exists or not, and in addition identifying the factors that could affect the system.

#### **1.4. Saudi Arabia context**

In order to understand the accounting status in SA and the factors that could influence the emergence of accounting both professionally and educationally; this study highlights the context of SA, including its demographic background, socio-cultural context and economic and educational context.

#### **1.4.1 Demographic background of Saudi Arabia**

Saudi Arabia is the largest country in the Arabian Peninsula (SAMA's Forty Eighth Annual Report, 2012).

*Its stature is built on its geographical size (twice that of France and Germany combined), its prestige as the custodian of the birthplace of Islam and its colossus status as an oil producer - with a quarter of the world's proven reserves under its deserts.* (BBC News, 2016, p.1)

The population of the country was about 31.5 million in mid 2015, and women constituted 43.9 % of the total population (SAMA's Fifty Second Annual Report, 2016).

The system of government in the Kingdom of Saudi Arabia (KSA) was created dependent on the monarchy, which means it does not depend on the rule of parliament or political parties. The system is based on what is known as royal decree and it directly linked to the ruler (establisher): King Abdul-Aziz Al Saud, who founded the KSA in 1932. After King Abdu-Aziz died in 1953, his sons have followed his way of governing the country until the present time.

Islam is the main religion of SA, which governs the civil, cultural, economic, legal, political and social fabric of the country (Mellahi, 2007). *"The system of government in Saudi Arabia is a monarchy, with the constitution of Islamic law"* (Mobaraki & Söderfeldt, 2010, p.114). The Islamic religion draws its guidelines and provisions from the Holy *Quran*. Subsequently, the Holy *Quran* is the constitution of the country (Mobaraki & Söderfeldt, 2010). It is the authoritative source of Islamic law and accordingly the regime of the country.

The King is the one who governs the country through the Council of Ministers who have the ability to make decisions within the limits of their responsibilities. These should be



consistent with the guidelines of Islamic law in addition to the royal decrees and ministerial regulations. Although the royal decrees may enact laws and regulations that are not based directly on Islamic law, at the same time they should not be inconsistent with it, such as some aspects of the laws of staff, investment laws and taxation in the country (Mellahi, 2007). This dual legal system, that is based on Royal decisions and Islamic law, could have an impact on the business environment in SA, hence the development of the accounting profession in the country.

#### **1.4.2 Saudi Arabia socio-cultural context**

The Kingdom of Saudi Arabia (KSA), established in 1932 by King Abdul-Aziz, has not been affected by the colonial movements that occurred in the past centuries (Francis, 1983). Consequently, it is possible to say that the cultural aspects of the local community have not notable been affected by Western culture, which was associated with the movements of colonialism. *“Saudi culture is a complex mixture of traditional and Islamic values to a degree that makes it difficult to distinguish between ‘the social’ and ‘the religious’”* (Al Lily, 2011, p. 119).

Elamin and Alomaim (2011) describe the country as a tribal conservative country where Islamic concepts and Arabic cultural values are strictly followed. Moreover, Almunajjed (1997) claims that the society in SA is mostly conservative and religious. The majority of the society's structure is based on nomadic tribes (Francis, 1983; Cordesman, 2003), which are characterized as being conservative and pay great attention to customs and traditions. Most of the customs and traditions were derived from the tribes who lived in the Arabian Peninsula at the time and remained committed to them, even after the founding of the Al-Saud ruling house in 1932 (Elamin & Omair, 2010; Elamin & Alomaim, 2011). Accordingly, the majority of the community pays great attention to family traditions and relations. In addition, SA *“has been considered the cradle land of the Islamic society”* (Hamid, 2014,

p.267). Therefore, the society is characterized as deeply religious, closed and conservative, and adheres to customs and traditions (Tripp & North, 2003). The Islamic religion plays a fundamental role in defining the culture and determining the norms, values, attitudes, and practices of society. In addition, Hamid (2014), claims that, “*the social environment is closely defined by this religion. It would be important to understand how the social environment of this country affects the financial sector*” (p.267).

The three factors stated above: non-colonial country, nomadic tribal nature, and the Islamic religion all possibly affect the construction of the societal environment in SA, and hence the professions and the business environment. Lacey (1982) confirms that it is important to understand the role of religion when studying the socio-economic environment in SA.

Later, the oil economy has affected significantly Saudi society in various forms. It is a fact that the discovery of oil in SA was the beginning of the era of civil reforms in the country that had been living in an economic-political-socio-old traditional hereditary frame.

### **1.4.3 Economic and business environment context in Saudi Arabia**

Saudi Arabia is a major oil-producing country (Bjerke & Al- Meer, 1993). With the first discovery of oil in 1938 it has continued to produce oil economically in large quantities since then. It possible to distinguish between two stages of development in SA; before and post oil phases.

Before the discovery of oil, SA was a barren desert with communities depending for most of their income on the pilgrimage season, and pilgrims paying when coming to the holy regions. They obtained their income by providing services to pilgrims travelling to the holy cities of Mecca and Medina. Other regions depended on a few agriculture activities and some long-distance trade (Metz, 1992; Anderson, 2014).

After oil was discovered in 1938, its revenues made dramatic changes in the country economically, politically and educationally. In addition, the social and culture structure was also affected and turned the country from a poor *Bedouin* community to a rich, commodity producer within a few years. In fact, the discovery of oil changed the economy in SA from an economy that depended largely on income from pilgrims and internal products to a strong petroleum based economy capable of giving a strong boost to economic and business developments in all areas.

Metz (1992) listed three factors that play a fundamental role in building the basis of the economic structure in SA. The first factor was the discovery of oil in the Eastern Province in 1938. The second factors was the unification of a number of areas in the Arabian Peninsula under King Abdul-Aziz. Finally, “*the rebuilding of Europe after World War II and its need for cheap, reliable sources of oil greatly enhanced the position of the newly established Saudi Arabian oil industry*” (Metz, 1992, p.113).

Nowadays, SA is one of the largest producers and exporters of oil in the world. The oil reserves in SA represent one quarter of the world's reserves at approximately more than 260 billion barrels (The History Behind Oil Discovery in Saudi Arabia, 2015). Therefore, in political terms SA plays a significant role in the stability of the oil price in the world market (Ali, 2009).

Over time, the business movement has boomed in SA. Many companies have been established, and several economic projects have been assigned, which in turn have changed the economic geography of the country. The establishment of Arabian-American Oil Company (ARAMCO) in 1944 brought many job opportunities to the citizen (Anderson, 2014). In addition, the establishment of ARAMCO is associated with and contributed to the appearance of other companies that deal with ARAMCO activities, such as accounting firms.

Some scholars considered that the first appearance of accounting firms in SA, was with the advent of the oil company ARAMCO.

The banking sector started before the discovery of oil. The first bank in SA was the Saudi Hollandi Bank. It had two branches in Dammam and Al Khobar (Eastern Province) and its aim was to provide facilities for the pilgrims (Hawkins & Turner, 1999; Al-riyadh, 2014). Before the establishment of the Saudi Arabian Monetary Agency (SAMA) in 1952, a limited number of foreign companies were engaged in the banking business in SA. They were licensed branches of foreign commercial banks such as *Hankey* company, a British company that has worked in the field of commercial, banking activities and marine insurance since 1884 (Al-Halabi, 2011). With the increase of economic and business movement in the country, which is associated with the oil economy revolution, the activity of these institutions expanded. New banks were established such as the Arab Bank Ltd in 1949, then the British Bank of the Middle East, and the National Bank of Pakistan, which became a money exchange company between Al-Kaki and bin Mahfouz (a family company). This family company became the first Saudi commercial bank under the name National Commercial Bank (NCB). Gradually, the number of commercial banks increased in order to cover the need of the business movement in SA (Hawkins & Turner, 1999; Al-Halabi, 2011).

The purpose of highlighting the history of the banking sector in this study is for two reasons: first banking activities in SA mostly depend on the oil economy, and are associated with the business movement in SA. Secondly, the majority of accounting graduates in SA prefer to work in the banking sector, as it is the most attractive sector for graduates in the business environment (See Results Chapter 5).

#### 1.4.4 Education context in Saudi Arabia

The oil economy has impacted significantly on the educational renaissance in SA. Oil revenue has contributed to the development of education and culture in the country, especially after the government set up an expanded programme and plans in this area and many educational schools and universities were established across the country. According to Metz (1992, p.122), "*under King Faisal ibn Abd al Aziz Al Saud (1964-75), there was a massive increase in government spending on education to an annual level of about 10 percent of the budget*".

Added to that ARAMCO worked on the development of the educational and cultural life of the country, beginning with opening schools for the children of people in the eastern region. These schools have become in form like American schools (Shalabi, 1990; ARAMCO, 1950). In addition, the company established private schools for the education of the company's employees' children, and sends scholarship students to the USA to specialize in their needed business areas. Consequently, this was the beginning of the era of friction and the influence of Western civilization on Saudi society (Shalabi, 1990). Perhaps, this was one of the events that endorsed the Anglo-American impact in SA's educational system.

In terms of university education, in 1949 King Abdul-Aziz founded the Faculty of Sharia in Mecca to become the first educational institution standing in the country. This endorsed the strong impact of religion on the Saudi education system. Later, between the years 1957 and 1968, three universities not dedicated to religious or Sharia subjects were established: King Saud University (KSU) in Riyadh, King Fahd University in Dhahran and King Abdul-Aziz University in Jeddah (Metz, 1992). Education for females however, in SA, did not start as early as education for males. Society in SA, at that time, was still recovering from the influences of customs and traditions that were dominant in social culture (Mirza, 2008;

Mehana, 2009) and in addition, Islamic teachings, which acknowledged some limitations on the presence of women in the outside environment (Deif, 2008).

In 1960, the first school opened specifically for girls' education, under the patronage of Prince Faisal Al-Saud and his wife Princess Effat. This step faced "*strong opposition in some parts of the kingdom, where nonreligious education was viewed as useless, if not actually dangerous, for girls*" (Metz, 1992, p.97). Although, some restrictions had been imposed in the past on female education in SA, however, today Saudi women have proven their superiority in many fields. Nevertheless, at the present times some scholars (e.g. Al-Sultan, 2015; Elamin & Alomaim, 2011; Alsalloom, 2015) consider that society and the work environment in SA still place some restrictions on and obstacles to women's education and work. Cultural norms and religion have had influences on education in SA.

The establishment of governmental (public) universities continued with the development of the economy in the country until there are now about 30 universities distributed in all regions of SA. In addition, there are a number of private university that offer a variety of different subjects.

Overall, three factors could be considered when reviewing the educational movement in SA. Firstly, the influence of religion (Islam); since the first educational institution was founded to provide Islamic studies, and which influenced women in learning. Secondly, the petroleum economy impacted significantly on the education of women in terms of enhancing the establishment of schools and universities, and in terms of the influence of Anglo-American thought. Finally, the influence of society, tradition and norms. Saudi society is a closed society, it is difficult for it to accept exotic concepts that may influence traditional structures or be inconsistent with them. Therefore, it is possible to say that the educational movement could have been delayed in the country because of these issues. The biggest proof

of this is the delay in women's education, because it has been difficult for the society to accept this idea.

### **1.5 The accounting profession in Saudi Arabia**

After the discovery of oil, SA's economy evolved from an economy that had been dependent on revenues from pilgrim services and limited interior product revenue to an economy that is entirely based on the petroleum industry. The new economic boost worked towards progress in all areas through scientific plans for development (Aramco, 1950). It is a fact that oil revenues were the basis for development in SA, also the budgets of the development plans that were approved by the Saudi government, during previous phases, were directly proportional to oil revenues through the stages of these plans (Shalabi, 1990). As a result, the development of SA, after the discovery of oil in various areas, has led to the need to develop economic environments and businesses in the country to be in line with the new developments; accounting is one of these needs.

The development of the accounting profession and accountants is important to the process of the economic development of the country, from different aspects. Firstly, the rapid increase in the number and size of companies in SA needed appropriate accounting systems that could lead and control the companies' resources and run such large organizations effectively and efficiently (Abdeen & Yavas, 1985). Another aspect is that the local production capacity could not be expanded at the rate of growth of oil revenues, so these funds had to be invested abroad.

The choice of targets and forms of investment and the correct amounts to be invested in each area depended on the grasp of modern financial and accounting skills (SAMA, 2002). Moreover, the Saudi Stock Exchange still needed appropriate methods to enable traders to trade securely in the market. These developing methods could minimize the problems of

accounting such as newly adopted standards, financial information, and professional ethical standards, thus enhancing the traders' trust in companies' financial statements (SAMA, 2003). In addition to this, increasing employment opportunities in the accounting profession, after the establishment of foreign companies in SA, such as the UAE Telecommunications Company, also called for work on the development of the accounting profession (Al-Ymamah, 2003).

All of the above listed reasons raised urgent needs for professional practitioners in the accounting profession, in order to complete the accounting transactions brought about by companies after the oil revolution, which changed the direction of the Saudi economy. Ba-Eissa (1984) and Al-Rehaily (1992) claim that due to the need for accountants at that time, the first foreign accounting firm "*Saba, Nawar and Co*" was established in SA in 1955 in order to cover the increasing demand for accountants. Four years later in 1959 the first Saudi accounting firm "*Al- Daghastani and Abdul Wahab*" was established and by the end of the 1950s about seven accounting firms had been established.

This scenario about the first appearance of a professional accounting firm in SA is similar, to some extent, to the scenario of the first appearance of the accounting profession in America (Bloom et. al., 1994), where the need for professional accountants emerged with the Industrial Revolution to cover the needs of companies (See research problem background). However, it took a long time until the appearance of the Saudi professional accounting body - Saudi Organization for Certified Public Accountants (SOCPA) - in 1992. Prior to that time, accounting was dependent on the Companies Act, which was a copy of the Egyptian law 26 of 1954 (Shinawi, 1970). This copy had been in revision for more than 4 years, until it was accepted by the government, meaning that accounting in SA was first influenced by the Egyptian framework. The accountants, who worked in the accounting



firms, were mainly Egyptian and the members of the accounting committee who submitted the first proposal were also Egyptian.

Al-Rehaily (1992) states that the Saudi government took longer than expected until it approved using the Companies Act, which relatively is considered the first formulation of accounting law in SA. This suggests that the Saudi government policy may have had some concerns regarding approving the law for the accounting profession. They needed to conduct deep investigations, in order to make sure that this foreign law did not contradict the country's policy that depends mostly on Islamic Sharia. SOCPA's plan to transfer to the International Financial Reporting Standards (IFRS) has taken about 7 years, and has still not been completed, at the current time. Researchers like AlMotairy and AlSalman (2011) believes that if SA adopts the IFRS this will develop the profession and increase the standards of financial reports in SA, more than local standards do. However, the researcher asserts that the advantages of adopting the IFRS will benefit a limited part of the profession, and will not contribute to the development of the educational accounting system in SA.

According to Al-Rehaily (1992), there are a number of factors that have affected the development of an accounting framework in SA. Perhaps, the most significant being:

- The type of business ownership (mostly individual proprietorships and small family group).
- The foreign influence through accounting firms, companies, and education.
- The rapid economic development (due to the oil revolution).

- The government laws and regulations (the impact of Islamic Sharia).

The foreign influence on accounting education has been through the scholarship programme. The Saudi government began to offer the opportunity to many students to study abroad in developed countries such as the USA and the UK. According to the SAMA Annual Report (1986) the number of Saudi students studying abroad was about 10,000 students in 1983 and *"The majority of Saudi faculty with doctorates employed by KSU and KAU were trained in the United States ..."* (Abdeen & Yavas 1985, p.162).

The first accounting educators in SA, Al-Faisal, Al-Sultan, Al-Wabel designed the first university accounting curricula, and obtained their qualifications from American universities (Basyouni, 1996). Moreover, those early academics are the ones who laid the foundation stone for the establishment of SOCPA. Thus, the influence of American accounting thought, on the development of accounting in SA, comes from two directions - university curricula and SOCPA. Consequently, the background of accounting educators in King Saud University (KSU) and King Abdul-Aziz University (KAU) are mainly influenced by the American accounting education framework. There were other non-Saudi faculty educators at that time in SA, with different influencing backgrounds originating in the UK, France, and Egypt; however, KSU and KAU were the first and the most popular at the time to offer an accounting degree.

### **1.5.1 University accounting education in Saudi Arabia**

University accounting education was established in 1957 with the first accounting department in KSU in Riyadh offering an accounting course, followed in 1972 by the second accounting department at KAU in Jeddah. These two departments provided accounting education to Saudi students (King Abdul Aziz University, 2010). After that, accounting education departments started to open up one after the other. So far, about 34 universities

offer a four-year Bachelor's degree (BA) in accounting. Due to the emergence of the new public universities and the expansion of the organisations, who request more accounting graduates in SA, the number of universities and students who are studying accounting has increased during the last seven years.

AlMotairy and Stainbank (2014) argue that each university has its own curriculum and there is no unified curriculum for all universities. In addition, there is no involvement of SOCPA in any of these universities' curricula. In respect to how accounting curricula have been designed in universities, AlMotairy and Stainbank (2014) comment that, *“Developing an accounting program involves a department initiating proposed courses which are agreed on at the college council, and then discussed through the steering committee of academic curriculum and planning, and finally approved by the university council”* (p.10).

### **1.5.2 Accounting education in Saudi Arabia**

A limited number of previous studies have investigated accounting education in SA. In 1981, Al-Sultan (1981) examined the role of KSU and KAU in the qualifications of accounting. He evaluated the curriculum of the two universities according to the “Committee on Educational Standards of the American Accounting Association”. His research results confirmed the failure of both universities to prepare qualified accountants. However, since Al-Sultan (1981) only examined the curriculum and not the whole education system he did not state particular reasons for his result statements. Both universities, at that time, were still influenced by the American accounting framework. In the same year, Hijaazi (1981) evaluated the profession in SA in terms of the accounting profession's surrounding environment. He identified some restrictions, in terms of the university accounting environment, although he did not provide the reasons for this environment restriction, since his study mainly focused on the accounting environment, as a profession in SA.

The reason for the failure of the previous research to provide a complete picture of the cause of the inefficiency of the accounting education system is that they just focused on certain elements in the system, such as curriculum or the surrounding environment, without paying attention to the influence of other factors on the accounting profession. On the other hand, Saudi researchers such as Al-Nefea (2005) evaluated the accounting education system in accordance with academic standards and compared it to that of some developed countries. They studied the system either internally or externally, but not both. Accounting as a profession, both academically or professionally, is affected internally by the component elements of the system, in addition to the influence of external factors, such as economic and social factors (see profession emergence theories in Chapter 3).

Accordingly, it is proposed that when evaluating a particular system, all internal components should be analysed in addition to the external surrounding factors. Since, each element of the internal components would be affected by external factors and this influence would affect the progress of the operation of the system, in addition to the outcomes of the system. Therefore, this study aims to:

Firstly, identify the component elements of the accounting education system in SA. Then analyse these elements and identify the factors that could affect them.

Secondly, study the external factors that may influence the development of the accounting system in SA. Through this it is possible to provide a complete picture of the accounting education system in SA, and also evaluate the outcomes (graduates). Consequently, this can determine whether these graduates can meet the needs of the work environment or identify if there is a gap between education and practice in SA.

It is important to state that this project was designed to investigate the accounting education system in SA from student (the input) to graduate (the output), in other words the whole

system (curriculum, teaching method, business environment requirements). Furthermore, cultural and social factors that possibly influence accounting as a professional career and as an academic discipline have been identified

A pilot study, in the form of a Master's degree dissertation project, titled the “Expectation Gap Between Accounting Students and Employers” was carried out in 2010. This study, which applied a mixed methods research strategy, was conducted with a sample of 71 Saudi Master's accounting graduates and four Human Resources (HR) Managers at four different banks in SA aimed to:

- identify the causes of the gap between the two groups - Master's students and employers;
- examine the students' perspectives about the accounting education system in SA;
- identify the requirements of the banking sector in SA from the point of view of the Master's accounting students;
- determine the area that needs improving or restructuring in the accounting system in SA.

The study found that there is the potential for the existence of a gap between the MSc graduates' skills and the banking sector employers' requirements. Further, it found that even with a Master's degree qualification, graduates failed to meet some banking sector requirements, such as mastering of the English language and IT skills. These have not been identified in other previous research. However, this dissertation project was limited, since it only covered two elements in the accounting education system, and did not identify the factors that could influence the Master's students and the profession in SA. Consequently, by taking the limitation of the previous study into account, this current study sought to

address the research problem from different perspectives and determine the factors that could promote the gap between learning and practice in accounting education.

### **1.6 Significance of the study**

The topic of an accounting education gap has been investigated previously in the literature; however, studies in this area need to be increased. The rapid economic changes in the world, in recent years, requires accounting education to keep pace with these developments in order to produce graduates who meet the rapid development changes and requirements. The majority of accounting and audit studies highlight the technical and professional aspects. Limited studies highlight the accounting education gap between learning and practice in the literature.

The importance of the current study derives from the widespread coverage of accounting education issues in developing countries, especially the (HIOECs), such as SA. In SA, the oil industry has boosted the country's economy and caused rapid changes in the business environment, which in turn has made fulfilling the requirements of the business environment difficult for accounting graduates. This research is significant for both SA and other developing countries in the region that may share the same circumstances as SA, where the issue of the gap between learning and practice in accounting education needs to be identified.

Although, Enthoven's (1977) study is considered as one of the leading studies to highlight the issue of accounting education in developing countries, he did not include SA. Even in his book *'Accounting Education in Economic Development Management'* (1981), he does not draw attention to accounting in SA. Perhaps, the reason behind this is that accounting in SA is about 50 years old and the first appearance of accounting, as an officially licensed profession, was in 1992 when SOCPA was established and became officially responsible for the accounting profession's law. Prior to this, the accounting profession in SA was known

through foreign and multinational companies that established a couple of accounting firms in order to cover the need for accountants in the oil companies. However, accounting education as an academic discipline was first known in 1959 in SA, thus emerging in the academic framework before the professional one (Abdeen & Yavas, 1985).

This statement raises some curiosity about the recognition of accounting in SA because according to the theories of the emergence of professions (Wilensky, 1964; Abbott, 1988) a profession appears in a community, in professional schools before it appears in universities. However, the accounting profession arose in SA in response to the oil industry's need for accountants, causing university accounting courses to be established prior to the establishment of a professional body (SOCPA).

This sequence of events could have had its impact on the formation of the accounting system in SA and consequently the outcomes of the system, since it is in contrast with Wilensky's emergence theory of professions. Wilensky (1964) listed stages that he believed professional occupations pass through until taking shape in a community: (1) group of full time occupation people; (2) establishment of a training school due to high demand; (3) formation of a university education; (4) formation of a code of ethics. In SA, stages 2 and 3 can be considered to have been reversed. Moreover, Mueller (1967; 1968) and Zeff (1972) emphasise that accounting can be defined and identified according to environmental surrounding factors. Thus, the importance of this research is to discover whether this stage reversal, together with other environmental factors, has an impact or not on the outcomes of the accounting education system in SA.

A few researchers (e.g., Al-Amari, 1989; Al-Rehaily, 1992; Al-Gaber, 1995; Al-Motairy, 1999) have briefly highlighted accounting education in SA in their studies, but the wider area of research into accounting education and its outcomes has been neglected, as research

in SA has mainly focused on the technical aspects of accounting. The significance of this current research study is to fill the gap in accounting education literature. The perspectives of five different groups were investigated regarding the gap between learning and practice in accounting education in SA. This approach goes further than previous studies, such as those of Hijaazi (1981), Al-Faisa (1992) and Al-Nafea (2005).

A series of interviews were conducted with academic accounting educators, final year accounting students, new accounting employees, business sector employers, and the professional accounting body (SOCPA). Comparisons were made regarding the perspectives of each group of the effectiveness of the accounting education system in SA in producing accountants who meet the requirements of the workplace. Therefore, this research fills the gap in the literature, by investigating the status of accounting education and the accounting profession in SA from these different perspectives. Moreover, it identifies the influencing factors on the profession in SA and how these affect the accounting education system outcomes (accounting graduates) and the profession.

In terms of the applied research methodology, this study's significance is based on the application of abductive reasoning for the first time, to investigate the accounting education research gap or schism. According to Blaikie (2010), an abductive research strategy is a mix of the inductive strategy that seeks to answer 'What' questions and the deductive strategy that seeks to answer 'Why' questions. Abductive reasoning:

*incorporates what the Inductive and Deductive research strategy ignore - the meanings and interpretations, the motives and intentions, that people use in their everyday lives, and which direct their behaviour- and elevates them to the central place in social theory and research.*  
(Blaikie 2010, p.89)



Firstly, the abductive research strategy allows a study to access a community where people can give their own perspectives and actions towards particular activities. Then, individual perspectives can provide understanding of the surrounding environment. Accounting is a product of social activities that connect to a special group of people who live in a particular community (Zarzeski, 1996; Radebaugh & Gray, 1997). Identifying the factors that can promote problems, in the case of the accounting profession, previous studies have proved that any profession's emergence will be influenced by social factors that could either facilitate its activities or hinder them (e.g., Chetkovich, 1972; Abbott, 1988; Alhashim & Arpan, 1988; Becker et al., 2009)

In the case of the current study, an abductive strategy worked to collect the views of participants involved within the accounting community in SA, from five different groups: educators, students, employees, business sector, and the professional body. Then, it identified the concepts that emerged from these views. The abductive strategy helped in providing understanding, then explanation, as to why such an event, like the gap in accounting education, could emerge. The understanding of such an event, can help in constructing an initial solution for the problem by understanding the problem in depth from the perspectives of the varying groups of individuals. Identifying a solution can raise the quality of accounting graduates in order to meet the workplace requirements and reduce the widening gap between learning and practice.

The theoretical contribution is considered in the light of Abbot's (1988) general theory of how professions emerge in that a profession cannot stand alone, it is always seen in a system. This system is affected by external forces, which can present in social and cultural impact on the profession. Identifying the inception of the accounting profession in SA could help to determine why and how accounting takes its status as a profession in SA. Moreover, the theories of a profession's emergence may lead to understanding why a gap exists between

the theory and practice in accounting education in SA and why such a gap exists, or not. This study investigated participants' motivations, intentions, and predilections and how they could affect the gap between learning and practice in accounting education.

### **1.7 The purpose of the study**

The literature on accounting education, generally across several countries, appears to indicate a need for the development of the accounting education system in order to meet the rapid developments in the work environment. Studies in other countries such as the UK, New Zealand and Lebanon (e.g., Senik, 2007; Wells et al., 2009; Majzoub & Aga, 2015) identify claims, by the business sector, that accounting education graduates fail to meet workplace requirements. Therefore, the problem is that a gap has arisen between accounting education and practice. Although, previous studies have been conducted regarding professional accounting education in SA, they are limited in terms of determining the existence of the gap and in terms of identifying the factors that could influence the profession in SA. Studies have been conducted, but in Arabic only (e.g., Al-Sultan, 1981; Al-Yamani, 1981; Hijaazi, 1981; Al- Wabeel & Jomah, 1996; Basyouni, 1996; Maloain, 2009). Researchers in SA should focus more on carrying out research in English, in the area of accounting education, because firstly, the English language has become the most widespread language in the world. In addition, publishing research in English would allow a wider range of researchers to access Saudi studies in the area of accounting education and hence consider its situation when carrying out future research. In other words, consider including the case of SA in the area of international research in accounting education, as the research will be published in international journals. Moreover, the English language resources in the area of accounting education are more widespread than any other language, which would allow Saudi researchers to follow the latest updates in this area of research. The English language has become the language of business today, and to allow Saudis to access a wider range of

international business research it should be translated into Arabic for them. However, to date, only a few articles and studies about accounting education in SA have been reported or discussed in English. A study by Abdeen and Yavas (1985) is one of the early research studies in accounting education in SA, followed by Al-Faisa (1992) who discussed the accounting profession and Al-Nafea (2005) who studied the aligning of accounting education and training.

There is still the need to identify the nature of the accounting education system in SA and to identify the extent of the gap and the perceptions of its context. Furthermore, can accounting graduates meet business requirements influenced by rapid changes in the economic environment and resulting instability, introduction of IFRS and internationalisation and the resulting increasing need for English skills. Therefore, this study aimed to investigate if there exists a gap between university accounting education and what graduates are expected to know and do in the business environment. Generally, is it also the case of the observable accounting system in SA - if there is such a gap, then what is its nature that distinguishes it from those identified in previous studies?

There are underlying research questions:

To what extent is there a gap between accounting education and practice in SA. And if so, are there any special characteristics that distinguish the gap in SA from that identified in other studies. Why might this gap exist in the case of SA? Finally, through the perception of those in the universities and business environments, what can be done to improve the situation?

This study determines the answers to the following questions through a series of interviews conducted with academic accounting educators, final year accounting students, accounting

employees, business sector employers, and the professional accounting body, SOCPA, in SA

- To what extent does university accounting education in Saudi Arabia produce graduates who meet the requirements of the current work environment in Saudi Arabia?
- ❖ What is the status of accounting education in Saudi Arabia?
- ❖ Assuming a gap exists, why and how has this occurred in the socio-economic context of Saudi Arabia?
- Does accounting education in Saudi Arabia need to change in order to meet the needs of the business environment in Saudi Arabia?
- ❖ What does the business environment expect from accounting education output in Saudi Arabia? And do they receive it?
- ❖ Why the business environment may not receive their expectations from the accounting education system in Saudi Arabia?
- ❖ Why accounting students in Saudi Arabia might not receive adequate preparation for the work requirements?
- ❖ What does accounting education expect from the business environment in Saudi Arabia? And do they receive it?
- ❖ Why accounting education may not receive their expectations from the business sector?

- ❖ Why accounting education may not receive their expectations from the accounting professional body - SOCPA?
- ❖ What are the perceived obstacles that could hinder developments or change in accounting education?

### **1.8 Study contribution**

This research has contributed to knowledge in terms of exploring and studying the characteristic of the gap in accounting education between learning and practice in the context of SA. The study has revealed unexpected results regarding the gap in accounting education characteristics. The researcher found that the gap could be distinguished according to the profession's first appearance in the community. In the case of SA, the reflection of the American accounting framework has had an influence on education for professional accounting. In addition, this study has contributed in the field of accounting education research from three aspects: methodology, theory, and practice.

Firstly- in terms of the methodology, the majority of previous studies, in the area of the accounting education gaps, have applied a quantitative method, mixed-method or multi-method approach in order to cover the largest number of participants through survey.

However, according to this study's objectives to explore and identify the status of accounting education in SA, the researcher identified that a qualitative approach, through interviews, would promote the in-depth investigation needed to explore the state of the accounting profession in SA. Significantly, this study is the first to apply a qualitative methodology to investigate SA's accounting education. Furthermore, this research has pioneered the adoption of the abductive reasoning approach in this area and which has promoted the research in terms of exploring different groups' perspectives about the state of the accounting profession in SA. According to the researcher's knowledge, the application of an abductive research

strategy is the first in this area of research. The adoption of an abductive strategy has provided and developed an understanding of the current state of accounting education in SA, and why SA suffers from the gap. In addition, it has helped in underlining the reasons for the existing gap and the factors that promote the widening of the gap. Finally, the research data was analysed by computer-assisted qualitative data analysis (CAQDAS): Atlas.ti. Few previous studies, in the field of accounting research, have used CAQDAS and using Atlas.ti is a new contribution in this area of research.

Secondly- in terms of theoretical contributions, this study when investigating the appearances of the accounting profession in SA and the factors that could promote the gap between learning and practice has considered three theories:

1. The theory of professionalization and how it is influenced by the emergence of the accounting profession (Mueller, 1967, 1968; Zeff, 1972; Abbott 1988; Perera, 1989).
2. The theory of the separation between two communities in order to maintain the knowledge and the desire to not mix with the others (Wilensky, 1964; Abbott, 1988).
3. The theory of the impact of social, cultural and political factors on the personality of the profession, and how such a profession could acquire characteristics and selectors arising in some societies (Perera 1989; Abbott 1988).

The first theory contribution has been highlighted briefly in this section, the second and third are discussed in detail in Chapter 7: Conclusion – under the research's theoretical contribution.

Perera's (1989) and Abbot's (1988, p33) professional theory is that a profession cannot stand alone, it is always seen within a system. External forces affect this system of the profession. This external force can be represented in social and cultural impacts on the profession. The current research study's results are consistent with the theory of professionalism in terms of the factors that influence the system. Saudi Arabia's economic environment was affected by the discovery of oil that worked on changing the environment's features, and has given rise to a need to develop the financial and economic systems to keep pace with the rapid changes caused by the oil industry (Saudi Aramco, 1950).

However, Abbott (1988) in his theory states that in the case of any profession it would start firstly by the appearance of professional education and then university education. Therefore, Abbott's (1988) view of professional education appearing first is in contrast with the situation found by this study. From the researcher's point of view, the appearance of accounting in the academic framework, that depends more on theoretical concepts, gave the profession more academic characteristics than practical ones.

The unexpected findings from the study related to other social theories. Findings from studies indicate that academic motivation affects the adequacy of the accounting education outcomes. Researchers, such as Ostroff (1992) and Kayuni and Tambulasi (2007) confirm the impact of a lack of motivation on student outcomes. The lack of motivation in the Saudi university atmosphere is affecting academic performance, hence the quality of the education outcomes. In terms of the student, the research results indicate that the students' intentions and predications affect their education achievements. Academic participants said that the level of a student's achievement and their seeking to gain knowledge of accounting depends on their intentions. In Azjen's (1991) theory of planned behaviour, intention is an indication of how much effort people are prepared to spend in order to achieve particular goals. According to the researcher's knowledge, this is the first research that highlights the impact

of academic motivation and students' intention in the adequacy of accounting education outcomes.

Thirdly- in terms of the practical contribution, the findings from the research indicate that the collaboration between universities, the profession, and the business sector could contribute to bridging the gap between learning and practice in SA. The research suggestion is that the three communities should unite in order to reduce the gap issue. Practically, SOCPA's collaboration with universities would benefit accounting education, in the case of SA, from three directions: curriculum, academic educators' effectiveness and students' improvement (more details discussed in Conclusion Chapter).

The collaboration may contribute to bridging the gap in SA for three reasons:

1. The profession in SA is still in a growth and evolution phase (the accounting system professionally and academically has not as yet developed to the level of quality that makes it comparable to the level of quality in developed countries). There is the need for support from the professional body in order to enhance the development of the profession. Abbott (1988) believes that the relationship between the two communities is "*inevitable*", which means that the relationship between the two parties should exist in order to complete the process of professional evolution in society.
2. As previously stated, SOCPA is the representative and the primary legislator of the accounting profession in SA, and there are no other professional bodies accredited in SA, unlike some countries which have more than one professional body.



3. The last reason is that the effectiveness of cooperation between the two communities has not yet been tried. Research findings and previous studies have pointed out the importance of a relationship between the two communities for the success of the profession's objectives. Therefore, this proposal should be applied and then its effectiveness evaluated in terms of bridging the gap between learning and practice in accounting education in SA.

In summary, research findings have proved that there is awareness of the gap and the role of SOCPA in bridging this gap. Therefore, SOCPA and the universities should participate in the accounting education system, and should work in tandem in order to produce accountants who can meet the rapid changes in the work environment. After all, the researcher's belief is that without this cooperation, the universities' efforts will be ineffective and the gap will stand.

## **1.9 Overview of the thesis**

This thesis consists of seven chapters, including this introduction chapter. The thesis then follows with the literature review chapter, a chapter of the professional theories, chapter of theoretical and methodology choices, chapter of results and analysis, a chapter of discussion of the findings and a chapter of the conclusions.

Chapter 1 introduces the background to the research. The issue of accounting education, the first appearance of the gap in American accounting education in HIOEC countries, the accounting profession in SA, and university accounting education in SA. This chapter justifies the significance of this research, which includes the importance of the research in the area of accounting education and its issue with the developments in the business environment, in order to produce graduates who meet business requirements. This

introductory chapter also outlines two main research questions in order to achieve the research objectives.

Chapter 2 reviews the existing literature with the primary purpose of informing general issues or substantive areas of focus. The chapter reviews the beginning of the gap between academic and practitioner in accounting. The first two papers that raised concerns regarding the influence of the gap between learning and practice in accounting education were the Bedford Report and Big Eight White Paper review of the adequacy of academic accounting education in the USA. These are significant, since the gap's first appearance was in the USA, and because of the reflection of the Anglo-American model in the Saudi accounting system (in academic and profession). This is followed by reviews of studies that responded to the Bedford Report and investigated the area of the gap in accounting education, in addition to what factors could promote the gap widening. Since, SA is a developing country and a HIOEC the study of its accounting education system should be distinguished from other developing and developed countries. Then, some studies are reviewed that indicate the relationship between the issue of accounting education and the financial scandals, in referring to the importance of paying attention to the subject of the gap in accounting education outcomes (graduates). Finally, this chapter reviews some other studies' attempts at bridging the gap in accounting education and the potential obstacles that could face these attempts.

Chapter 3 discusses profession emergence and development theories. The purpose of the review of the theories in the professions, is to find a correlation between the appearance of a profession, such as the accounting profession in a given society, and the emergence of the gap. Accounting as a profession appears from community to community, so it is influenced by the surrounding factors such as social, economic and others factors. Another reason is that the history of the emergence of the accounting profession in the USA and the history of

the emergence of the first courses for accounting at universities is somewhat similar to Wilensky's (1964) theory for the emergence and development of professions. This chapter also presents a review of previous studies that indicate the emergence of accounting at universities in the USA was the first sign of the emergence of the gap between academic and practitioner communities. The genesis of the accounting profession in the different communities could be similar or different. These theories have been discussed to know the impact of the surrounding factors on the development of accounting, both professionally and academically in a particular community, that is SA, and the possibility of this affecting the appearance of the gap.

Chapter 4 discusses research paradigms and the methodological stand that underpins this research. This study adopts an interpretive approach, to investigate the gap phenomenon and uses social constructivism assumptions with an abductive research strategy. A case study method is discussed and adopted, since it concentrates on a particular phenomenon in its own environment. The chapter also describes the process of data collection through a series of semi-structured open-ended interviews, in order to obtain in depth knowledge regarding the phenomenon. Finally, CAQDAS ATLAS.ti. with the NCT method applied in the data analysis is presented. These make this study one of the first to investigate the expectation gap in accounting education research to use ATLAS.ti.

Chapter 5 documents the process and results of the analytical procedures of conventional content analysis (CCA). The factor that motivated this choice of CCA is that it is mainly used in a study that aims to understand and describe specific phenomena. A series of interviews were conducted with accounting *academics* (coded A), final year accounting *students* (coded S), fresh *employees* (coded E), *business* employers (coded B), and the *professional* body (SOCPA) (coded P). Seven themes emerged and each theme produced

core categories and each core category consists of sub-category codes. Finally, network views were developed using ATLAS.ti 7 software.

Chapter 6, the discussion, aims to locate the study's findings within the extant literature and theories in order to achieve the study aim. The purpose of this study is to detect whether accounting education in SA suffers from a gap between learning and practice, due to the rapid and constant economic change that affects the business environment. The arguments and discussions in the chapter are divided into three parts: accounting academic system, business environment, and professional body SOCPA. Since, the research adopted an abductive strategy, the unexpected results are discussed with some studies and theories that are not highlighted in the literature and theories chapter.

Chapter 7 concludes the thesis with a summary of the research and its key findings. The chapter highlights contributions of the research from theoretical, methodological and practical points of view. The conclusion of the research is deduced from two directions; literature and theories, and researcher conducted interviews. Then, the reflections on the research questions are discussed. The contributions of the research are highlighted in terms of methodology, theory, and practice. Finally, the study's limitations and suggestions for future research are discussed.

## Chapter 2: Literature Review

### 2.1 Introduction

In the last three decades, several studies have been conducted to identify whether or not there is a gap between accounting education and accounting practice and how to address this gap, if and when it exists. Attempts to discover this have mainly proved the existence of a gap between learning and practice in accounting, however the researcher has doubts about the causes and the type of gap within accounting education

### 2.2 Gap in accounting education- the beginning

Almost the first reference to the word gap, between the practice and the academic in accounting, was by Stevenson (1980). In 1922, at the American Association of University Instructors of Accounting meeting (AAUIA) he argued that there existed a gap between theory and practice in university accounting teaching. Thus, after the establishment of the AAUIA, the concept of a gap in accounting education has become well known. Bloom et al. (1994) support Stevenson's view (1980) and believe that the gap in accounting education emerged with the onset of teaching accounting in universities in 1900, but they renamed it using the word "*schism*".

On the other hand, Bricker and Previts (1990) argue that another schism appeared when a splinter group separated from the American Institute of Certified Public Accountants (AICPA) in 1921 and created the American Society of CPAs (ASCPA). They suggested that, "*the schism exacted a toll in organizing professional representation for congressional hearings on financial reporting that followed the collapse of the securities markets in 1929*"

(p.2). Their statement referred to the schism that happened between the two practitioner groups and not between the academic and the practice. Although, some researchers do not agree in terms of the first cause of the gap/schism, the majority of the researchers agree that it was in the USA that the gap was first established.

In terms of the schism between the academic and the practice, Bricker and Previts (1990) argue that the common separation thought among researchers has been described as lack of interest between the two communities: academic and practice. Researchers, such as Cooper and Zeff (1992) translate this '*lack of interest*' thought to lack of communication and cooperation between the two communities since each had its own believes to follow. According to Bloom et al. (1994) academics tend to adopt the classical economic framework where the free-risk market exists together with an ideal growth environment, while practitioners tend to adopt the new economic framework where the market is unstable and needs more attention (See figure 2.1).



**Figure 2.1: Academic and Practitioner Framework**

Elwell (1980) describes the schism between academic and practice as the inadequacy of recognition of accounting educators by the professional accounting communities, which could be considered as the root of the schism. The conflict between the two communities developed through time as did the gap between learning and practice in accounting education. The schism between academic and practice is the main interest of this study, since it could be one of the causes of the gap between learning and practice in university accounting education.

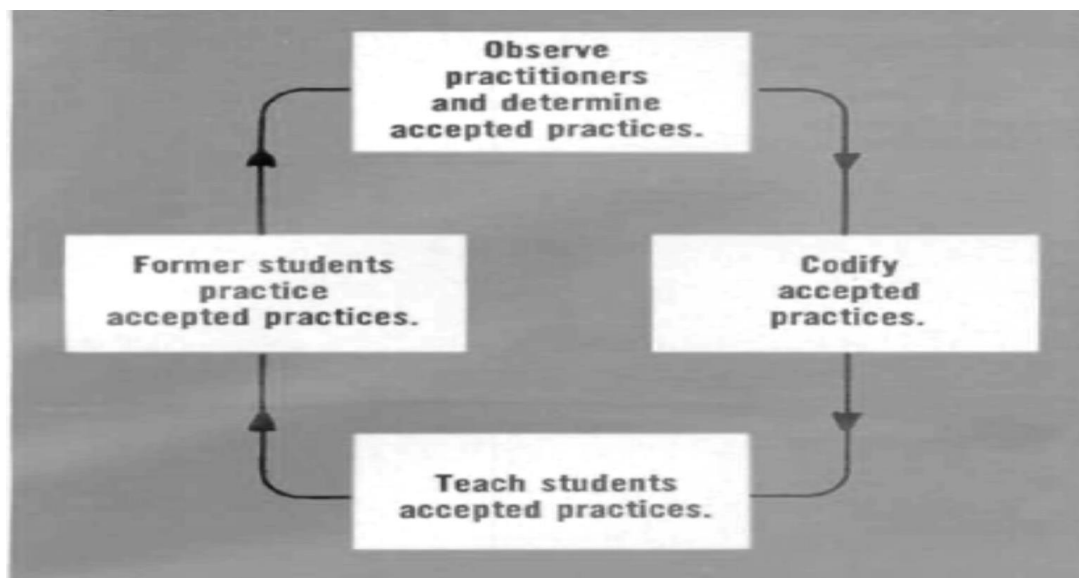
After the schism came into existence between the two communities, there were disputes over some matters such as: proper qualifications for accounting educators, adequacy of the university curriculum, and who has the responsibility for setting accounting standards (Gilman, 1939; Bloom et al., 1994).

### **2.3 The development of schism argument and the call for changing the accounting education**

Through time, the arguments regarding the schism have developed and received other issues. Equally, the exchange of accusations between the two parties about who is responsible for the failure in the accounting system also developed. For example, Mautz (1974) blamed the accounting instructors and stated,

*Accounting education has largely neglected the needs of the profession as well as the needs of career-oriented students. Relatively, little effort has been made by many accounting educators to discover what accountants are actually doing in practice, what demands of skills exist in practice, and what students who plan to enter the practice of accounting most need to know. (Mautz 1974, pp.36-37)*

On the contrary, educators such as Sterling (1973) argued that the relationship between academic and practice should be a “*complementary relation*”. He claimed that because accounting instructors' tendency is towards preparing students for practice, educators teach the acceptable practices to the students so they can obtain jobs. Practice completes the education when it provides educators with information on what are acceptable practices and “*practitioners practice what educators teach*” the students. (See Figure .)



**Figure 2.2: The Complementary Relations Between Academic and Practice Source:**  
**Sterling (1973, p. 47)**

In the end it is a complementary relationship, no party should dispense with the other and, if the separation happened, its consequences would be for both parties.

The discussions about the schism are still present, new arguments occurred before the end of the twentieth century regarding the adequacy of university accounting education against practice experience. Some researchers, changed their attitudes and began to call for changing accounting education instead of looking for the gap or schism.



Over the past 40 years, a number of studies have called for changing accounting education across a number of countries, including the UK, the USA, and Australia (Solomons Report, 1974; Bedford Committee Report, 1986; Big Eight White Paper, 1989; Mathews Report, 1990; Albrecht & Sack, 2001; Hancock et al., 2009; Evans et al., 2010; Cappelletto, 2010; Pathways Commission, 2012). Each researcher had their own perspectives and causes that led them to call for change; however, they all agreed that accounting education must change. According to Wilson (2014), the need to change accounting has become an inescapable fact. Changes and development of the surrounding environment of the accounting profession has made it difficult for the status of current accounting to fulfil the requirements of the work environment. These changes include the following:

- *the increasing pace of change in financial reporting;*
- *the increasing pace of change in financial markets;*
- *increasing the uncertainty;*
- *increasing recognition of risk;*
- *increasing complexity;*
- *increasing regulatory activity;*
- *increasing globalisation;*
- *increasing interdisciplinary practice; and*
- *increasing technology change.* (Wilson, 2014, pp.xxxii-xxxiii)

Perhaps, the earliest call for change was by Solomons (1974) in the “*Solomons Report*” in the UK. Although, the first appearance of accounting, as taught material, was in the USA in 1892, but the first call to change was raised from the UK. The reason for the lack of reputation of the Solomons Report, which is not like other studies (e.g. Bedford report, White paper) that have called for change, is that the report's recommendations were ignored and

not considered (Wilson, 2014; Zeff, 2016). Solomons (1974) main argument was that formal quality accounting education is the main ingredient for producing true profession accountants; this will be obtained by a combination of field experience and training. Solomons Report also emphasised the, “*value of required coverage within the curriculum of mathematics, statistics, economic, behavioural science, and other allied disciplinary prospective*” (Wilson, 2014, p.238). Solomons (1974) was hitting the main point of the gap, he mentioned field experience and training, which is never achieved without the connection bridge with the practitioners (real work environment). However, the ignoring of his report disappointed him, it even cost the UK its position at the forefront in this area of research. He later wrote that,

*I wish I could say the Prospectus ... had left a deep mark on British accounting education, but I cannot. At the most, it caused a few ripples. It was politely received by the six bodies that had commissioned the study. They then turned their backs on it and went their several ways.* (Solomons, 1984, p.xv).

In Australia, the Mathews Report (1990) investigated accounting education more deeply (from one of its main components: the academic). Mathews attributed the inefficiency of accounting education quality to insufficient academic salaries and the deterioration of the academic working environment. Contrary to the Solomons Report (1974), the Mathews Report (1990) received great response from both practitioners and academics, so academic income and the workplace was reconsidered and have been improved in order to raise the quality of accounting education. Moreover, Mathews (1990) strongly advised universities in Australia to reconsider the traditional view of accounting education; he suggested that students in their final year study a professional accounting qualification.

Although, the above previous studies, from their perspectives, called for change in accounting education, they did not get into the issue of the gap between education and practice, or to the issue of separation occurring between practitioners and academics. Their studies focused on suggesting a solution for the problem, without studying the causes of the problem (the gap/schism) or to develop steps to attempt to bridge the gap. What is different in this current study is that it looks for the existence of the gap within the accounting profession in Saudi Arabia, and then studies the different dimensions of this gap and what factors could promote the gap. From this it then decides if there is a need to change the current accounting education process or not. The difference here is that Solomons and Mathews did not see the gap as a basic cause of the problem, but they suggested directly, changes to the then current accounting education. This researcher agrees with them that current accounting education is in need for change. In the researcher's opinion however, the accounting profession, as a profession that arises in a community and from the community, needs to examine all the factors that could affect it both internally and externally, so that a final judgment can be issued. Then only can solutions be proposed that could fit a community which differs from another. Perhaps, Bedford and the Big Eight White Paper issues are more closely related to the current study case.

### **2.3.1 Bedford Report and Big-Eight White Paper**

After the assessment of the current state of accounting education, the Bedford Report found that future accountants will not be qualified adequately to meet the expansion and complexity of the profession.

#### **1. The future scope, content, and structure of accounting education**

As a result, the Bedford Report made a number of recommendations that could promote the profession in the future and contribute to solving some problems; these can also be considered as a guidelines for accounting education. According to Bloom et al. (1994) the

Bedford Report recommended that, “*accounting should be taught as an information development and distribution function for economic decision making, and that instructors should focus on students’ learning how to learn*”(p.69).

Three years later the chief executives of the eight largest public accounting firms (now the Big Four Accounting Firms<sup>1</sup>) (Kullberg et al., 1998) responded to the Bedford Report's (1986) call, especially in the future scope, content and structure phase and found that the Bedford Committee provided solid grounding for further, future research. The focus of Kullberg et al.'s (1998) study was about the effectiveness of accounting education, and the quality and quantity of accounting students. Their approach, which was called a “White Paper”, made a five-year commitment of up to \$4 million to support and stimulate the development of the curriculum. Finally, they called for collaboration between faculty, universities, accounting firms, professional organizations and accrediting bodies in order to find a way to approach good opportunities for the profession in the future (Burton & Sack, 1991; Kullberg et al., 1998). The fundamental aspect of the Big Eight White Paper was that it recommended that, “*students should develop better judgment*” (Bloom et al., 1994. p.71). Also, many researchers such as Burton and Sack (1991) acknowledged this paper as a realistic case study in accounting curriculum. However, academics consider the paper as an effort by practitioners to prove that they were the forerunners in the case of appeal to the re-drafting of accounting education, and not academics. In addition, they thought that the White Paper was only a repetition of the Bedford Report, which had been written by the academics.

The researcher found that the importance of the White Paper was that it takes the whole story of the gap to its beginning regarding the “*complementary relationship*” between academics

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<sup>1</sup> The Big Eight refers to the 70's and 80's when there were 8 large multinational accounting firms: (Arthur Andersen, Coopers and Lybrand, Deloitte Haskins and Sells, Ernst & Whinney, Peat Marwick Mitchell, Price Waterhouse, Touche Ross and Arthur Young). In the 20th century the Big Eight turned into the Big four Accounting Firms: (Deloitte Touche Tohmatsu, PricewaterhouseCoopers, Ernst & Whinney and Klynveld Peat Marwick Goerdeler).

and practitioners and the relationship they should attain in order to bring success to the education cycle of accounting and produce graduates who meet the workplace needs. In fact, the researcher did not come across any studies that clearly illustrate the cause of the separation between accounting academics and practitioners. Some, such as Bloom et al. (1994) refer to the establishment of university accounting education in the USA. Others attribute this to the differing orientations of both parties, where academics pursue the classical approach and practitioners pursue the modern/or new approach (Bloom et al., 1994). (See Chapter 1 Introduction and Background).

Bui and Porter (2010), in the current era, list some factors that could contribute to the existence of the ‘expectation’ gap in accounting education:

- *differences in the views of the profession and academics regarding the competencies which accounting graduates should possess, and the appropriate programme to develop these competencies;*
- *students’ perceptions of accountants, accounting work and accounting courses;*
- *universities’ promotion and tenure structure (p.24).*

Theoretically, the emergence of any profession in any community passes through a number of stages. Indeed, each scientist has his own story to tell. For example, Wilensky (1964) suggested that until a profession finds its path to dominance and practice, it will have gone through a number of stages or steps in the full professionalization process: 1- fulltime occupation of a group of people; 2- establishment of a training school due to high demand; 3- formation of a university education; 4- formation of a code of ethics. The chronology, listed by Wilensky, is similar to some extent to the story of the emergence of the accounting profession in the USA, which due to the increased demand for accountants (the first course

in academic accounting appeared in the USA) established university accounting education (Bloom et al., 1993; Abbot, 1988). Edwards (1988) states that,

*Universities and technical schools, recognizing this need for training, and possibly foreseeing the part which accountants would be called upon to play in the industrial world, readjusted and expanded their curricula to provide intensive training for the student of the accountancy.” (p.135)*

Apparently, the growth of the academic accounting course could play a role in the tension between the two communities; academic and practitioner. The following assumptions might illustrate the case. According to the theory of a profession's emergence, internal members of the established profession seek to maintain their knowledge and links and only external individuals, who share similar beliefs, can join them or be given permission to be a member of this professional group. (See Theory Chapter 3). If we look to the case of accounting in terms of the academic view, academics adopted different though (classical framework) from practitioner (new framework) who were considered the internal members, who established the profession in the first place. Therefore, academics will not get their place in the professional development cycle, and they will be the external party. Hence, academics will be under the focus of the practitioners.

From the above discussion it could be concluded that the differences of the adopted beliefs of academics and practitioners could lead to the separation or schism, which in turn raises concerns about having the accounting profession in an academic framework, hence the gap between learning and practice.

### **2.3.2 American accounting education**

The first argument regarding adequacy of academic accounting education in the USA started in 1921, Bexell (1921) made his remarks to the AAUIA about the failure of accounting

education to prepare students for the Uniform CPA Examination. Later, Stevenson (1980) attributed this failure to the gap between education and practice in accounting and he was one of the first who called this the gap in accounting education.

Another result that can be extracted from the previous section's discussion (on the schism), is that the issue of the gap in accounting education first started in the USA. Researchers, such as Rittenhouse (1980), in his 1923 speech criticised the American Institute of Accountants (AIA). At some point, American thought sought to separate learning and practice in the profession. Rittenhouse (1980) found that according to the CPA examination results the AIA had no contact with the university. Failure to make such communication or collaboration between the university and the profession created the gap between learning and practice. He affirmed that academic studies in business education face many difficulties, perhaps most of these difficulties lie in the attempt to apply the principles of the business environment to students' classroom teaching. Traditionally there is a 'Bay' between theoretical education and practice in the classroom. The student has become accustomed to receiving theoretical information in the classroom and not be subjected to the practical procedures. Rittenhouse (1980) thought that this is "*inherited naturally*" in the process of business education in all its disciplines, including accounting, and attempts should be made to bridge this gap.

Despite Rittenhouse (1980) getting across the problem of the gap, he did not illustrate clearly how it was established in the nature of academic studies in business administration and all its branches. What is important to state here is that Rittenhouse (1980) "*sharply attacked*" the AIA and accused them of having, "*a narrow perspective and ignored the progress made in accounting instructor*" (Bloom et al., 1993, p.9). The accusation of Rittenhouse (1980) indicated that, the practitioners of the profession in the USA ignored the academic group, and kept it away from the 'arena', from the beginning. The possibility here is that, the

composition of American accounting thought (Anglo-American) was based on the separation between academic and practice in universities' accounting education in general. The researcher believes that the history of the emergence of accounting in the USA had some impact on the gap, when the university programmes for accounting originated and broke away from the practitioners of the profession. This Anglo-American thought perhaps influenced the regions that adopted the American accounting approach.

Although Deegan and Rankin (2006) argued the influences on financial accounting, they approve the truth about the strong association of the Anglo-American model to the professional body's characteristics (which depend on practice more so than theory). In other words, the professional accounting body is the group that considers more the practice aspect of accounting.

Many researchers in the UK (e.g., Wilson, 1992; Broadbent et al., 1992; Hassall et al., 1998; Burns et al., 2004) have written about accounting education in the UK and refer to studies of accounting education in the USA. For example, Burns et al.'s (2004) research in the UK, states that the threat of accounting education under the Continental European model is less than from the Anglo-American model, since the first one developed in a different way from the second. Albrecht and Sack (2001) mention that management accounting graduates (under American development thought) face a number of problems when trying to be involved in the workplace. Albrecht and Sack's argument is that management accounting is influenced by the rapid development in the industrial environment, while the development model does not cater to these changes. Therefore, graduates face difficulties when involved in the workplace. Moreover, as indicated, the Anglo-American model follows the classical framework (traditional) that is based on the stable and risk-free market, which is reflected in accounting education.



The above indicates three matters: firstly, accounting education's first appearance was in the USA (as theory proves), secondly, most arguments concerned about the adequacy of accounting education started within the USA and thirdly, there is doubt regarding the development of accounting education under the Anglo-American model.

Although this study is primarily concerned with accounting education in SA, the researcher has highlighted some American studies, as these predominate, and the system of accounting education in SA is imported from the USA (Agami & Alkafaji, 1987). Al-Nefea (2005), when studying the alignment of accounting education in SA, stated that there are a number of shortcomings in accounting education in the USA, which are likely to be reflected in accounting education provided in Saudi universities, since SA has followed the American model from the beginning of the appearance of the profession in SA, both academically and professionally (See Chapter One Introduction and Background). However, Al-Nefea does not mention the area of shortcomings.

## **2.4 Gap in accounting education- Raising the concern**

After the Bedford Report and the Big Eight White Paper (Big Four now) raised concerns about the future of accounting education promoted others (e.g., Elliott, 1991; Cottell & Millis, 1992; Ehrenreich & Hulme, 1992; Novin et al., 1997; McCartney et al., 2002; Broome & Morris, 2005; Siegel et al., 2010) to investigate the accounting situation and the existence of the gap in accounting education. These studies attempted to discover different areas of the gap's existence, within accounting education. According to Wright & Chalmers (2010), it is important to conduct research and studies that promote the progression of accounting education knowledge and skills.

May et al. (1996) investigated the gap by conducting a survey over 984 accounting faculties and identified that there is a possible expectations gap between accounting

practitioners and educators. Their questionnaire was sent to every permanent faculty member with the rank of assistant professor or higher at a random sample of 100 accounting academic units listed in the 1991 edition of *Hasselback's Accounting Faculty Directory*. This study raised concerns in accounting circles because of its results, and prompted several researchers to investigate the likelihood of the existence of the gap and its causes. Dr. Hassan, delivered a speech at the Institute of Chartered Accountants of Pakistan (ICAP) conference in Lahore, Pakistan (2004) saying that,

*... the expectation gap is presently one of the key issues that the accountancy profession is faced with - it is one of the root causes of the lack of confidence in the profession and its role in the economy in general and corporate society in particular.*

#### **2.4.1 Factors promoting the presence of the gap**

Cable et al. (2007) presented a paper that confirmed the presence of an accounting education gap between study and practice. They explored the accounting education environment over the last fifteen years and discovered that, “... *the current model of accounting education was designed in an era when there was a very different student profile to that existing currently in accounting programs in Australian universities*” (p.1). This difference can contribute to the expectation gap between learning and practice in accounting, since accounting education cannot meet the needs of employers, and has a lack of harmonization and mismatch between current accounting approaches and practice. The reason behind this is due to the challenges and instability that are located in the work environment. In addition, the Journal of Accounting Education in 1998 stated that, due to the increasing complexity and the changes in the accounting practice environment, accounting education cannot fulfil the development of accounting in practice.

The factors that are involved in this gap are various; researchers ascribe some reasons that promoted the gap, such as the rapid developments in information technology, which is closely linked to the world economy in recent years, environmental factors (culture, politics), and rapid changes to the economic characteristics of some countries, such as HIOECS. For instance, Mohamed and Lashine (2003) ascribe the reasons for the existence of the gap, in accounting education, to the rapid development of the business environment and to the role of globalization. They conclude that, “... *current accounting education and the skill levels of accountants are not in line with what is required in the dynamic environments of global business*” (p.3). Celik and Ecer (2009) are in agreement with Mohamed and Lashine about the globalization point and they assign the challenges that face accounting education and the business world to three main groups:

- technology
- globalization
- effects of institutional investors.

#### **2.4.2 Exploration of the gap in accounting education**

Accounting education system issues have been explored from different perspectives, such as the inefficiency of the curriculum, deficiencies in the skills of accounting students, teaching methods, and the alignment of IT systems.

##### ***2.4.2.1 Gap in curriculum***

With regard to the importance of this matter, the Accounting Education Change Commission was established in 1989, with a supported fund of about \$3 million in order to handle the accounting curriculum and work on the development and maintenance of accounting education (Davidson & Baldwin, 2005). The commission was established as a result of the

Bedford Report (AAA, 1986), that focused on accounting curriculum reform. This report noted that accounting students lack the necessary skills that the 21<sup>st</sup> Century workplace needs. However, there is still a significant amount of disagreement towards accounting curriculum changes. Walker and Denna (1997) blame accounting systems and accuse them of applying a traditional system that is based on "*limited ontology*", which focuses on financial transactions that limit the possibility of their application in terms of the perspective of the real work environment. "*Importantly, if processes are configured correctly, then each component transaction will be executed correctly, assuming no deliberate interference with the system or its data.*" (Wilkin & Collier, 2009, p.50)

It is crucial to clarify that accounting learning textbooks have a significant impact on the preparation and readiness of accounting students for the work environment (Davidson & Baldwin, 2005). Thus, several studies have explored the curriculum as an attempt at bridging the gap. Some of these studies (e.g., Tan et al., 2004; Howard & Warwick, 2013) were conducted concerning management accounting subjects. The Institute of Management Accountants (IMA) and the Management Accounting Section (MAS) of the American Accounting Association (AAA) established a Joint Curriculum Task Force in order to construct a comprehensive framework that identifies the required "*competencies of accounting and finance professionals working in a variety of organizational settings*" (Lawson et al., 2014, p 296). Since the Bedford Report's call, academics have tended to work towards changing or replacing the current university accounting curricula. Lin et al. (2005) affirm that the traditional accounting education curriculum should be replaced "... *with more multi-disciplinary subjects in general business, management, sciences and other social or humanities areas*" (p.152) in order to meet the work environment and stakeholders' needs. In response, countries such as Spain and the UK have moved towards restructuring and improving the quality of their accounting approaches in order to reduce the gap between

learning and professional employment (Hassall et al., 2005). Furthermore, Ehrenreich and Hulme (1992) called for the integration of critical thinking within the curriculum and use of unstructured problems for accounting students. Table 2.1 below shows May et al.'s (1996) survey results about the need for change in the accounting curriculum.

Statement	n	Percentage of respondents					Mean
		Strongly agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly disagree (5)	
Fundamental curriculum change is needed	418	25.6	30.4	19.9	18.4	5.7	2.48
Future accountants are not receiving needed preparation	405	21.1	46.8	16.0	13.9	2.2	2.29
Objective should be to teach students to learn on their own	417	26.9	36.7	17.5	15.3	3.6	2.32
Students should be able to identify and solve unstructured problems	418	59.1	37.1	2.2	1.0	0.7	1.47
Programs should not primarily focus on preparation for professional exams	417	44.6	33.3	13.4	6.0	2.6	1.89
Students should be thoroughly familiar with professional standards	419	19.8	44.2	22.4	12.4	1.2	2.31
There should be more emphasis on written and oral communications	419	48.9	41.8	6.7	1.9	0.7	1.64
There should be more emphasis on intellectual skills	415	47.2	38.8	12.0	1.2	0.7	1.69
There should be more emphasis on interpersonal skills	419	33.9	43.9	16.2	4.5	1.4	1.96
There should be more emphasis on ethics	418	29.4	42.3	20.8	6.2	1.2	2.07
Ways should be developed to provide faculty with practice environment information	416	45.9	38.0	12.0	3.4	0.7	1.75

**Table 2.1: Responses to Curriculum Statement- Source: May et al. (1996, p. 24)**

Fifty six percent of the responses generally agreed about the need for change in the accounting education curriculum, nevertheless 24.1% disagreed about this change. Those who disagreed about this change ignored the obstacles that might occur. Certainly, ignoring the call for change to the accounting education curriculum can cause a “*preparation gap*” between the needs of the work environment and accounting knowledge and skills, as identified by Siegel and Sorenson (1994). Further, Albrecht and Sack (2001) argue that, due to the gap in accounting between learning and practice, the recent curriculum should be changed in order to fill the gap.

#### **2.4.2.2 Gap in students' skills and teaching methods**

Some research and studies indicate that there is a “*perceived skills gap*” within accounting's required skills (Stoner & Milner, 2008). It is important to state that accounting students are one of the components in the accounting education system. The lack in their skills and knowledge can contribute to the gap between accounting education and practice. Since, the gap (schism) between university education and the work environment has caused uncertainty between (graduates) and employers about what are the required skills “*When accounting graduates enter the job market, most of them are unaware of the employment reality. They are either shocked or unprepared to adapt to the working environment or find it difficult to cope with their job responsibilities*” (Ngoo et al., 2015, p. 98)

Without any doubt, the success of the accounting education system will not just belong to the changing and improving accounting curriculum stage, but will require students to improve their skills whether by depending on what they are taught or by improving their skills themselves. Certainly, accounting students and the accounting curriculum are two important elements within accounting education systems besides educators; they have to work adequately together in order to achieve harmonization between learning and practice in accounting. According to Braun (2004), educators and institutions of accounting worldwide should start to alter the curriculum in order to prepare accounting graduates with a good range of skills and attributes for the work environment. Accounting students need to obtain skills such as analytical skills, communication skills, and teamwork skills and in recent years accounting students urgently need to master information technology skills. In addition to communication skills, the Accounting Education Change Commission (AECC) (1990) also includes interpersonal skills.

Kavanagh and Drennan (2008) investigated what skills and attributes stakeholders expect from accounting students. Their findings prove that there is a level of agreement between

students and employers that communication skills, analytical skills, and problem solving skills are a part of the necessary skills that accounting students should obtain, before becoming involved in the work environment. In other words, Kavanagh and Drennan agree that there are acquired skills that students should obtain before joining the university course. However, Kavanagh and Drennan (2008) state that there is a level of difference between the student and employer groups on ranking the level of each skill. This difference might lead to an expectation gap between employers and graduate accounting students.

Although, oral and written communication skills are located at the top of the mastery of skills required by accounting students, these two skills are missing among accounting students (Mangum, 1996). Zaid and Abraham (1994) stressed this previously and said that newly graduated accountants face a problem in their communication skills, and they attribute this problem to the accounting curriculum.

Three managers of a large postgraduate accounting programme in Australia, Cable, Dale and Day (2007), stated that from their experience over a period of 10 years they recognized that when students move to professional employment they face a, “*training gap*”. They argued that, “... *this gap can largely be attributed to graduates’ lack of communication and professional skills*” (p.1). Despite this, accounting students still need to develop their skills by themselves, and not depend only on academic learning. Overall, students’ independent study should be encouraged by accounting institutions and universities (Kelly et al., 1999). In fact, students should build a clear idea about what their professional employment requires, in order to face the work environment's challenges. They have to stay up to date with the latest financial events and have a direct link to the latest news regarding accounting. However, employers have to understand that learning is a continuing process, and graduate students still have the opportunity to develop their skills within the job (Kavanagh &

Drennan, 2008). Therefore, to achieve the goals there is still a need for cooperative work from all sides: academic learning, students and employers.

In terms of teaching, Francis and Minchington (1999) investigated the gap between students' quantitative skills and the skills that are required in the work environment. They refer this type of gap to academic teaching methods, since the educators emphasize more the "*mathematical techniques*" and ignore other techniques. Apparently, the failure and the weakness that previous and other studies discovered leads to the so called expectation gap between learning and practice in accounting. Siegel et al. (2010) provide strong evidence, over 20 years, that the gap between theory "*educators teach*" and practice "*work environment*" exists.

On the other hand, Cottell and Millis (1992) argue that there is a gap between teachers and students due to the lack of communication between them, causing a sort of superficial education in terms of transfer of information, rather than a solid transformation. According to Nearon (2002), if accounting institutions continue to use the traditional teaching methods of accounting education, which is based on memorization and other sterile means, the inevitable result will be the failure of accounting education. However, students are still required to take additional courses or exams, such as CPA, which they may also not pass.

#### **2.4.2.3 IT alignment**

Finally, rapid change and developments in IT could play a role in the gap between learning and practice in recent years. Lack of familiarity with IT resources could lead in turn to the gap in accounting education. Senik (2007) stresses that mastering IT skills are important for accounting students, since it prepares them for the IT-based work environment. Further, Mohamed and Lashine (2003) argue that accountants should improve their competency level in IT skills to meet market requirements. In addition, they suggest that the current accounting



education system cannot fulfil the needs of global business environments because of the lack of integration of IT in accounting education.

In order for business/organisations to fulfil improvement of their IT in recent decades, and to survive in the global competition, they tend to invest more money in developing their IT systems. The development of business IT systems includes the accounting information system (AIS) (Castells, 1996; Salehi et al., 2010 ). In addition, *“it is widely acknowledged that IT plays an important role in the field of accounting; IT can be a strategic weapon to support the object and strategy of organizations”* (Salehi et al., 2010 p. 186 ). Hence, using IT in accounting education needs to be part of the development of the accounting system, both academically and professionally, and educators should emphasize more the importance of IT. For the purpose of producing accounting graduates, who are more adapted to developments in recent business environments, Mohamed and Lashine (2003) suggest that accounting students should master *“... some of the following technologies: spreadsheet software, word-processing software, Windows, world wide web, presentation software, data base software, e-commerce, information systems planning and strategy, file and directory management, communication software, graphics software, in addition to accounting packages”* (p.11).

Moreover, Marriott (1992) claims that due to the need for computing and spreadsheet skills in the job environment, IT skills should be involved in accounting teaching programmes, and that this will raise the educational benefits of accounting courses. Certainly, integrating IT, as an educational tool within the accounting course, could produce knowledgeable accounting graduates; also it can increase their accounting capabilities such as communication skills and writing skills. In addition, it can prepare the students to be better financial statement analysts and better decision makers (Collier et al., 1987).

Not surprisingly, studies in recent decades (e.g., Iii et al., 2001; Senik, 2007; Salehi et al., 2010; Tan & Ferreira 2012; Laing et al., 2012; Aleqab et al., 2015) assured the need for integrating IT within the teaching of most financial and business sciences, as today's business world is largely dependent on the employment of computer technology in most of its transactions. This is because IT can save time and effort and accelerate the completion of operations within the business.

## **2.5 Accounting education in developing countries**

Perera (1989) claimed that each community determines its own character and creates an appropriate environment that suits it. It is recognized that the accounting system is a product of its environment. Therefore, some researchers hold that accounting could be defined and identified according to economic environment factors (Mueller, 1967; 1968; Zeff, 1972). On the other hand, other researchers (e.g., Seidler, 1967; Nobes, 1983; 1984) tend to link the variety of accounting to national accounting practice. Moreover, others (e.g., AAA, 1977; Da Costa et al., 1978) refer to “*a variety of economic, social, political and cultural factors*” (Perera, 1989, p. 141). There have been many debates about how to determine the identity of the accounting system within the economic community, but the vast majority of researchers agree that identification is due to the nature of the economic community. Thus, accounting systems could be distinguished between accounting in developing countries and accounting in developed countries.

Researchers have sought to identify the gaps in accounting systems in developing countries. Holzer and Chandler (1981) determined the issues that faced accounting systems in developing countries and said that many issues involved “*poor internal control, absence of management accounting, incomplete and inaccurate records, unauditable system*” (p.23). Although they maintained that not all developing countries hold the same accounting problems and many countries work to eliminate these issues. For example, the Conference

of Accounting and Auditing Profession and the Contemporary Challenges in Abu Dhabi (2007), discussed the problems of the profession in practice, and the current challenges that have occurred in the accounting profession after recent global developments, both at the level of international trade agreements and the level of technological development and the information revolution. The conference aimed to find criteria for a unified business strategy between Arab countries on the level of accounting, which is consistent with the aspirations of the Arab markets towards more integration and interaction. This conference, through the conference's programs and papers presented by delegates, was considered as a step in bridging the knowledge gap between accounting at the end of the last decade and the modern knowledge that is based on information and electronic systems. Attempts to change the accounting system in developing countries spread to western countries, where international accounting firms transfer western-style accounting to developing countries (Briston, 1978). Abu-Ghazaleh (1994) agreed with the idea of integration with “*Western-style accounting*” and argued that,

*... the demands on the accounting profession have changed and if we do not change the way we educate our Arab accountants we will be left behind. We should develop a master plan for the education of Arab accountants. This requires that we follow the strategic approach recommended by IFAC.* (Abu-Ghazaleh, 1994, p.5)

Other researches distinguished the investigation of accounting systems in developing countries. Yapa and Wijewardena (1996) argue that, when accounting is mentioned we should separate the HIOECs from the third world countries, since the discovery of oil in these countries is changing many of their economic features, and has raised the need to develop their financial systems and economic systems to keep pace with change. Accounting systems in these countries have become one of the imperatives that must be developed in order to keep pace with progress. Some HIOECs have taken action and made some changes

to cope with these new developments. For instance, in SA, King Fahd University of Petroleum and Minerals offers courses, grants and consulting assistance to upgrade the accounting skills in technical and petroleum related areas, including oil and gas. Moreover, Brunei Shell Petroleum has organized, for its employees, an in-house course leading to the professional qualification of the Association of Accounting Technicians (AAT) (Yapa & Wijewardena, 1996).

## **2.6 Accounting education and financial scandals**

More than a decade ago accounting education suffered from gaps and loopholes that led to failure in some situations. These errors led to an escalation of charges against accounting education. It was classified as one of the causes that led to the collapse of major economies around the world; however, the gap in accounting education was being investigated even before the failure that happened in the economic world. Accordingly, groups of researchers dealt with how the gap can cause scandals in these economies. Most debate, conducted around this topic, was that the accounting graduates were not prepared adequately for the unsystematic events in the business world. Successive discussions of accounting education, in the vicinity of the post-Enron disaster, saw researchers such as Diamond (2005) Ravenscroft and Williams (2005) and Cooper et al. (2005) to confirm the importance of ethics in accounting. Although, all of them pointed out the importance of developing students' critical capabilities.

*“The scandals at Enron, WorldCom, Tyco and other companies early in this decade gave the accounting profession a serious black eye”* (Sims, 2009, p.19). Perhaps, the collapse of Enron in 2001 was the most significant. It drew the attention of researchers and academics to investigate it (e.g., Titard et al., 2004; Rezaee, 2004; Lin & Wu, 2006; Low et al., 2008; Zarkasyi, 2009). Research results indicate that the majority of the causes that led to the collapse of Enron were crises of ethics and a lack of credibility and transparency (Law

Library, n.d). Diamond (2005) investigated this matter and related it to accounting education; he divides this into two periods, before and after the collapse of Enron. Before Enron, most calls were for a move towards changing the accounting curriculum and teaching approaches, even though some institutions were aligning some units into their programmes regarding this. Other researchers suggested two years work experience after graduation. Moreover, Diamond (2005) did not notice much demand for change in accounting education, after Enron. On the other hand, Jackson (2011) conducted a practical study and considered that accounting students should be involved in this case; so he observed auditing students in two classrooms. The first group were before the accounting scandals period, such as Enron's collapse and the WorldCom bankruptcy and the other group after the scandal period. He found a significant difference between the two groups. *“The students before the scandals were neutral on the statement that “audit committees comprising non-executive directors should improve auditor independence” and students after the event were moderately in agreement”* (Jackson, 2011, pp.4-5). In other words, he found that the students began to give more attention to the terms that related to major world economic collapses. Jackson suggests that, *“Prospective students should also be aware of the value of the accounting degree in other areas of business. An accounting degree is very useful and valuable to other career paths”* (p.6). Diamond (2005) affirms that, *“What is needed is a new educational approach that gives students the intellectual and communication skills and analytic capabilities to make wise decisions in the face of change and helps them to continue their professional development throughout their careers”* (p.354).

Diamond (2005), in designing a shape for a new accounting education to show how it should be, suggested *“a foundational liberal arts learning philosophy”* (pp.356-357) that might help accounting students in their skills and work life. In addition, he suggests some topics that could be very beneficial if integrated with accounting content:

- *the design of business and non-business enterprises*
- *problem recognition and uncertainty in business and non-business enterprises*
- *risk assessment and information evaluation*
- *multi-media literacy and communications*
- *the art of listening*
- *electronic commerce and the paperless organization*
- *cultural and ethical aspects of leadership and followership*
- *business leadership, the public interest and social responsibility*
- *core concepts of accounting information*
- *accounting principles and practices related to managerial decisions.*

However, Diamond (2005) also argues that all of the above recommendations would not be a hundred percent guarantee to fix the issues of accounting education; he only said these could contribute to filling the gap, and could prevent some future Enron scandal. Ravenscroft and Williams (2005) discussed the academic response towards the recent accounting scandals. They defined four major obstacles that could prevent academic and educational handling of these scandals. The first obstacle is the profession's highly trusted view of accounting's ability to handle all that matters. The next obstacle is the recognition that the accounting profession has become an integral part of community justice. The third one is the "*ideological blindness that severely inhibits accounting from becoming a learned discipline*" (Ravenscroft & Williams, 2005, p.370). The last one is the belief that the accounting profession is limited only within the CPAs framework.

## **2.7 Researchers' attempts at bridging the gap**

Accounting education researchers tend, after discovering and proving the gap, to give suggestions or advice about what might bridge this gap. Some researchers move towards the

idea that prior knowledge and experience for accounting students might have a role in filling the gap between learning and practice in accounting. In 2000, Maletta et al. conducted a study with 161 undergraduate students to examine the effect of direct work experience on subsequent knowledge acquisition. From that sample, only 69 of the students had prior experience in a tax course. The students were given two tasks: structured (preparation of tax returns) and unstructured. Maletta et al. (2000) noted that the students that had direct experience with tax were more competent in the learning process of the unstructured task, than the inexperienced students. In other words, students who have prior experience are more flexible in dealing with irregular transactions (transactions of the real world) than inexperienced students. Maletta et al. (2000) concluded that direct learning experiences could feed the students' knowledge and skills. Furthermore, in an attempt to develop proposals on how to avoid or reduce the gap between accounting education and practice, McCartney et al. (2002) conducted a study and distributed a questionnaire to two groups, academics and practitioners in auditing. The purpose was to identify "*... whether a gap exists between content being taught in internal auditing courses and practitioner needs*" (p.312). The results found high agreement and recommendations from both groups to use case studies and practitioners as guest lecturers in auditing courses. In addition, there was agreement from both sides suggesting about 25 topics in internal auditing.

For the purpose of improving accounting students' skills, earlier research suggests that educators can integrate generic skills into the accounting curriculum by linking specific skills to an assessment task (Kavanagh & Drennan, 2007). Albrecht and Sack (2001) as mentioned earlier, criticise accounting education approaches and call for reform of the accounting curriculum. Consequently, these researchers adopt an approach that tends to encourage accounting educators to build strategic planning that examines their existing accounting programmes precisely, in order to consider any change in their programmes in

the future. Further, Albrecht and Sack (2001) claim that a narrow but deep education approach is better than a broad based education approach in teaching accounting in universities. In addition, they suggest employing a “zero-based” approach to the accounting curriculum.

Simulation of the developments in the modern business environment by Kelly et al. (1999) developed a new way called the “holistic approach” to connect accounting education to the contemporary business environment. The researchers adopted this method to encourage accounting students to the independent and self-education method because they argued that methods could produce accountants who have the ability to adapt to the rapid changes that are taking place at this time. They developed six modes of learning to be adopt in their course see table 2.2.

<p><i>Desired developments in the students</i></p> <ol style="list-style-type: none"> <li>1. Citizenship: their ability to be aware of their own emotional, spiritual and societal values as well as their cognitive identities. Their courage to promote change in organizations and society</li> <li>2. A knowledge of the literature which considers accounting as a social phenomenon</li> <li>3. Self understanding, self awareness, self confidence, and intellectual independence</li> <li>4. The ability to self motivate and self organize</li> <li>5. The ability to provide arguments <i>and listen</i> rather than to ‘debate’</li> <li>6. The wish to strive for the best solutions, rather than to seek opportunistic compromise</li> <li>7. To adopt a ‘professional’ approach to life in preparation for the workforce</li> <li>8. A tendency to continuously question and evaluate, throughout life</li> <li>9. A knowledge of their role, and the role of accountants, in society</li> <li>10. A knowledge of how to learn</li> </ol> <p><i>Specific skills to be acquired by the students</i></p> <ol style="list-style-type: none"> <li>a. Public presentation skills</li> <li>b. Group work skills, the ability to participate beneficially in team work</li> <li>c. The ability to judge the performance of both themselves and others</li> <li>d. The ability to interact with senior professional people in society</li> <li>e. Time management skills</li> </ol>
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**Table 2.2: Course Learning Objectives- Source: Kelly et al. (1999, p.331)**

Kelly et al. (1999) claim that “ ... we believe that in our fast changing society we must produce graduates who have learned how to learn, and who are capable of continuously adapting themselves to help in the ongoing development of society” (p.321). More recently,



Jackling and De Lange (2009) also emphasize the “*holistic approach*” when they explored the accounting graduates’ skills and the needs of employers. They suggest easing the pressure on the accounting curriculum by transferring the task of teaching some of the technical skills of accounting to the professional accounting bodies. This method allows the universities to re-focus their energies on the promotion of academic expertise and the development of generic skills in accounting students. This approach can be divided in two phases. The first phase is carried out in universities and will work to develop students’ generic skills and the second phase is in the professional accounting bodies and will focus on training graduates in technical skills of accounting. Applying this method can process accounting graduates in a manner consistent with the requirements of employers. On the other hand, Wells et al. (2009) indicate that universities should provide real world learning experiences. This suggestion is in opposition to Jackling and De Lange (2009) who suggest leaving acquiring the training skills to the professional accounting bodies. Wells et al. (2009) argue that, “*This raises the importance of the balance between university and workplace environments for preparing and developing professional capabilities*” (p.18).

This study states three axes that researchers consider to be the reason for the gap: the accounting curriculum, accounting graduate skills, and the lack of employing IT in accounting courses. Researchers have identified the areas in each axis and have provided some suggestions that can help to reduce the range of the gap in order to introduce accounting education processes that are able to meet the rapid changes in the work environment. On the other hand, researchers have not paid much attention to the expectation gap between employers and accounting graduate students which could be the reason for the main gap in accounting education, as identified by May et al. (1996) and Bui and Porter (2010). These researchers investigated the gap, within the accounting curriculum, by identifying the causes of the gap and how to bridge it.

In summary, much has been written about the existence of an accounting education gap in general. Researchers have identified several factors that can contribute to this gap; however there is an absence of research about the requirements of employers and their expectations of the skills and knowledge of accounting graduates. Solving the problem of the expectation gap can contribute to the convergence of views between accounting educators and employers by identifying what accounting students have to learn and what employers require. Hence, researchers can determine the areas of the gap in different aspects of the accounting education system and provide appropriate solutions to bridging this gap.

## **2.8 Accounting education challenges and obstacles**

Perhaps the most difficult challenges that face the reform movement in accounting education is an attempt to reconcile the conflicting two parties (academics and practitioners). Bloom et al. (1994) found that academics still believe in the classical framework, which believes that accountants work in a stable environment away from risk and volatility. On the other hand, practitioners adhere to the new framework, which believes that the work environment is unstable and risky. Thus, bringing together the views of the two parties is in itself an obstacle to the reform movement in accounting. This conflict has also made research in accounting education ineffective (Moehrle et al., 2009; Hopwood, 2008; Baldvinsdottir et al., 2010).

Another challenge that could face the reformation is the way in which the business environment is changing over the years (Abu-Ghazaleh, 1994) and has become more complex and faster over the years. Albrecht and Sack (2001) refer the change in the business environment to three factors: technology, globalization, and concentration of power in certain market investors. Mohamed and Lashine (2003) support Albrecht and Sack (2001) in the first two factors and comment that, *“The rapid spread and acceptance of globalization and the enormous developments in information technology, has led to dramatic changes in*

*the business environment*” (p.3). In addition, when the Bedford Report group concluded their remarks on the subject of an accounting education gap, and recommended the “*reorientation*” of accounting education as a solution, they said that determining the direction of “*reorientation*” is one of the challenges that will face the reform project (AAA, 1986). Parker et al. (2011) suggest collaboration between academic accounting researchers and the accounting profession as a solution. They found some signs of response to their call, for example, “*the professional bodies have funded academic research in areas such as accounting for the environment, water accounting, emissions trading scheme, intellectual capital, public private partnerships, and carbon credits and assurance*” (p.8).

## **2.9 The unexpected results and previous studies**

Until the time of conducting the final results of this study, unexpected results have emerged (new knowledge and factors that were not consider in the research from its outset). The researcher will mention the previous studies that have been associated with these unexpected results in this section.

Since this study is adopting the abductive approach, which works on considering all expected and unexpected results and their impact on the research, the researcher believes that these new studies will be included in a chapter on discussion and then linked to the unexpected results for better inference of adopting the abductive approach in this study.

The research results state that the educator participants show high intentions to obtain professional qualifications. According to Retief Venter and de Villiers (2013) academics, prefer to obtain a professional qualification rather than an academic one, “*If someone asked me today to sacrifice my CA qualification or my PhD, I would give up my PhD any day*” (p.1248). Ghartey (1994) confirmed this point of view and said that individuals, who combine academic and professional qualifications, would benefit the development of accounting and economics.

Some of the following is repeated in Chapter 6.

Another matter is that the results of the study show restrictions on the accounting environment in SA academically and professionally. Hijaazi (1981) investigated the accounting environment in SA and claimed that there was a type of restriction about accounting education in Saudi universities. According to Al-Nafea (2005), Hijaazi (1981) did not illustrate the concept of restriction in Saudi accounting education very clearly. The research results from the current study could indicate the reason behind this restriction.

Moreover, the unexpected data illustrated another type of restriction that affects accounting educators' performance. The lack of motivation in Saudi universities is affecting academic performance, hence the quality of the educational outcomes.

Researchers, such as Ostroff (1992) and Kayuni and Tambulasi (2007) corroborate this finding about the impact of lack of motivation on student outcomes. Other researchers, such as Rowley (1996) and de Lourdes Machado-Taylor et al., (2014) emphasise the importance of academic staff's motivation in higher education, they claim that the performance of the academic staff impacts the students' directly. Whenever there is less satisfaction and motivation there is ineffectiveness in the teaching methods of academic staff. The findings from these researchers are consistent with the present research's findings. According to Siddique et al., (2011)

*Teachers are the makers of students. They are those influencing personalities and role models, who refine their students' skills and polish their personalities and make them responsible citizens and leaders for tomorrow. So, leaders can use various intrinsic and extrinsic motivating factors to motivate faculty members, so*

*that they can put their extra efforts to produce bright and successful students ...*

(Siddique et al., 2011, p.185)

According to the results of this study, the lack of incentives influences academics significantly. Some “investigative journalists” in newspapers indicate that the lack of incentives encourages academics to leave the university and transition to other sectors with the presence of lucrative returns in SA (Alriyadh, 2005; Al Anzi, 2008; Moghamesee, 2014; Makkah, 2015). This has also been proved in this study and other international studies such as that of Siddique et al., (2011) who state that, *“If talented and competent staff members are not motivated enough by their supervisors, and if they are not happy with their job, organization and management, then they may leave the organization”* (p.185).

Result also, identified unexpected factors that affect the state of students in SA. One factor is the absence of the use of English in the accounting education system. According to Kinsella (n.d) the English language is the dominant language for business and other research, by non-English speakers such as Almajed and Hamdan (2015) supports the importance of English in studying accounting,

*“The study shows the importance of the English language acquisition to make it easier to attract sciences from various countries of the world ... as the fact that accounting concepts are internationally unified by the International Accounting Standard Board (IASB) ... “. (Almajed & Hamdan, 2015, pp.24-25)*

Almajed and Hamdan' study also found that the level of students' English language proficiency affects their performance in accounting courses as long as all accounting courses are English books. Since the global trend is now to adopt the English language for the business subjects, participants from all groups insisted on the integration of the English

language into accounting courses in order to enhance the education outcomes and hence meet the requirements of the work environment. Moreover, previous studies (e.g., Birrell & Rapson, 2005; Dale et al., 2006) have identified the importance of English for the current business environment. Birrell and Rapson (2005) argue that, accountants from non-English-speaking backgrounds have struggled to secure professional level work in accounting, referring to the importance of English language in the job environment.

Result indicated factors that could affect the quality of accounting education in SA, which are the students' inner willingness and predilection. A study by Reid et al. (2005) supported the relationship between student predilection and education outcomes. Reid et al., (2005) found a parallel relationship between student predilection and their learning outcomes. Students admired the skills they acquired from studying maths and had "intrinsic motivation" to develop a mathematical way of thinking and looking at the world.

In terms of the factors that could impact on student predilection or intention, Azjen, (1991) and Azjen and Madden (1986) found that there are several factors that could influence intended behaviour. These factors could be internal (skills, abilities, and planning) or could be external (time, opportunity, and depend on others). The results from this study indicate that, the parents' desire affects the student's intention, which can be considered as an external factor. Another category of student, identified by the research results, has the intention to study accounting only for social standing. That can be an internal factor, since the student wants to ensure his social standing by acquiring a "white collar job". Ajzen's (1991) theory of planned behaviour has proven that there are factors that affect motivation and it is possible to make a person do all they can in order to achieve their goal, if these factors are positive and the person plays to behaviour which increases the achievable.

In terms of the efficiency of employees, Majzoub and Aga's (2015) study investigated the gap in accounting education between learning and practice in Lebanon. However, Majzoub

and Aga (2015) investigated the gap according to the international accounting education standards (IAES), by applying a mixed methods approach. Their study proved the presence of the gap from the perspectives of employees, whereas the present study considers the gap from the perspective of academics, businesses and the professional body.

From the side of relying on information technology (IT) and ignoring the employment of accounting graduates, which was shown by the results of this study. Some previous studies (e.g., Ghasemi et al., 2011, Lim, 2013, Liyan, 2013) refer to the impact of IT on the accounting profession and education. However, others such as Banker (2002) and Moghaddam et al. (2012) highlight the advantages of applying IT such as speed, accuracy, and the flexibility that it provides.

Finally, in regard to the importance of bridging the gap, previous studies such as (e.g., Gough et. al, 2004; Wally-Dima, 2011; Pratama, 2015) have proven this matter.

## **2.10 Conclusion**

In conclusion, it is obvious that the rise in the number of universities that offer accounting courses in the USA during the period 1900 to 1926 made accounting move from an “*apprenticeship training*” era to a “*formal education*” era. This movement created an atmosphere of incompatibility between the two important parties in this case (academics and practitioners). The cause of this conflict was that each group adopted separate views. Academics saw that students should learn accounting, in the light of the business environment being stable and free of risk, which is called the classical framework, while practitioners saw that the actual business environment as being full of risk and instability which is known as the new framework. This conflict has influenced accounting education, and has created a gap between learning and practice. Although, this study is primarily concerned with accounting education in SA, the researcher has highlighted some American studies, as these predominate in the system of accounting education in SA which is imported

from the USA. Researchers have investigated different areas of the gap and found that the gap, within accounting education, could be in the curriculum, students' skills, and teaching methods. Furthermore, studies have found that accounting is a product of the environment in which it exists, therefore it should be investigated according to its environment. Consequently, studies have emerged that have called for investigation of the gap in accounting education in developing countries - in this instance SA is considered as both a developing country and a HIOEC.

After reviewing previous studies conducted on the subject of the accounting education gap, this research considers that the neglect of this matter has had serious consequences on the history of accounting in the last decade, represented by the Enron scandal and others. This literature review has outlined some of the results of accounting education, such as the Enron collapse scandals. Finally, the review has identified some challenges and obstacles that face the accounting education reform movement.



## Chapter 3: Theoretical framework

### 3.1 Introduction

Profession emergence and development theories could explain, to some extent, the causes of the appearance of the accounting gap, or schism, in a society such as SA. This researcher seeks to find a correlation between the appearance of a profession, such as accounting, in a society like SA and the emergence of the gap between learning and practice. According to Goode (1957) who titled every profession as a community in order to demonstrate the strong link between community and profession “*each profession is a community without physical locus ...*” (p.194). Accounting, as a profession, appears from the community to the community, therefore it could be influenced by surrounding environmental factors such as social, economic and others.

Furthermore, the history of the emergence of the accounting profession in the USA and the history of the emergence of the first course for accounting at universities is somewhat similar to Wilensky's (1964) theory of the emergence and development of professions. In this chapter the researcher reviews some of the previous studies that have indicated that the emergence of accounting at universities in the USA was the first sign of the emergence of the gap between academic and practitioner communities. The genesis of the accounting profession however, in different communities, could be similar to that of the USA or different. These theories have been discussed to know the impact of the surrounding factors on the development of accounting, both professionally and academically in the Saudi community, and the possibility of this affecting the appearance of the gap or schism.

### 3.2 Accounting as a professional occupation and schism

The tendency to seek professional status has extended over time and continues through to modern society (Laing & Perrin, 2011) and different professions have been involved in attempts to establish their professional identity. According to Garcia and Lampe (2011), “*Many accountants have believed that, by definition of being an accountant, they are inarguably a professional*” (p.2) and according to Wilensky (1964) accounting, as an occupation, gained professional status by the 20th century in some developed communities such as the UK and the USA.

Throughout the history of the emergence of the accounting profession in the USA, the schism between profession and practice has been mentioned (Bloom et al., 1994), with perhaps Stevenson (1980) being first to refer to the word gap between practice and academic, in accounting education. An argument that has developed over time is that the appearance of university accounting education is the main reason for the schism, where academics tend to follow the classical framework and practitioners tend to follow the new framework (See Chapter 2 Literature Review).

This researcher's belief is that the appearance of a profession, such as accounting in a community like SA, could be affected by *profession emergence and development theories*. Moreover, emergence theory could be related to the gap, if it is proved to exist, in the case of SA for the following assumptions:

- ❖ The story of accounting development in the USA indicates that the establishment of university accounting education was the beginning of the gap's existence because of the separation that happened between academics and practitioners.
- ❖ The story of the accounting profession's development in SA has not followed the same pattern as the USA, or professional appearance theory (see SA accounting history in Chapter 1 Introduction).
- ❖ The case of SA, as a HIOEC, might impact on the development of the profession, hence the gap.
- ❖ The social structure of a society also could play a role, according to the factors affecting profession development theories.

Therefore, the purpose of addressing profession development theories, in this study, is to find out the extent of the relationship between the separation of professionals and academics in the emergence of the accounting profession (Bloom et al., 1994). In addition, as to how the emergence of the profession, in a particular community and its surrounding factors, may shape and influence the profession that would give it its distinctive characteristics, such as a gap or schism. Through the adoption of an abductive research strategy, the researcher depends on discussions arising from previous studies/theories, and the findings gathered through interviews, to generate the final argument about the gap in the case of SA and what factors impact the development of the accounting profession in SA. In this chapter, theories are discussed, such as those of Abbott (1988) and Wilensky (1964) who presented profession emergence and development theories.

### 3.3 Professionalism Theories

Historically, professionalization/professionalism was identified as a process that sought to determine the status of a profession. It has been also defined as a process that observes and improves the entity of the professional group in order to make them able to own their self-interest, in addition to the monopoly protection of the occupational jurisdiction (Larson, 1977; Abbott, 1988). Sociologists in the past sought to underline how a profession grows and develops its status, calling this the concept of professionalization. The history of sociology is full of professionalization theories that have discussed the emergence of professions, and the factors that could affect the development of the profession in any community (e.g., Foote, 1953; Caplow, 1954; Ben-David, 1965; Wilensky, 1964; Bledstein, 1976; Larson, 1977; Abbott, 1988; Haug, 1988; Perera, 1989).

#### 3.3.1 Professionalism - Professional education or University education - Which is the first?

Wilensky (1964) suggests that until a profession finds its path to dominance and practice it will have gone through a number of stages or steps in the full professionalization process: 1- fulltime occupation of a group of people; 2- establishment of a training school due to high demand; 3- formation of a university education; 4- formation of a code of ethics. Wilensky's (1964) argument is that professional education appears in the community before university education. On the other hand, Ben-David (1965) and Bledstein (1976) affirm that most professional education appears in the universities; they define professionalism by association with universities.

Ben-David (1965) took German society as a structure for his model; claiming that university education is the first step to professional practice. He associated the role of the university with the concept of professionalism. Although, Bledstein (1976) adopted the American

community as a model for his theory, his conclusion was similar to that of Ben-David (1965), in terms of the role of the university. The only difference being that Bledstein (1976) treated the university at a higher level than Ben-David (1965), in terms of its role in professionalism. Both, Ben-David and Bledstein did not utilise the British model, where professions, such as accounting, did not associate with the universities during their time of professionalization.

Abbott (1988) did not agree with Wilensky (1964), Ben-David (1965) or Bledstein (1976) about which would have dominance; professional education or university education. He took another view that the connection between professional groups, which he called the “*jurisdiction*”, could be influenced by three factors: new knowledge, new legitimacy, and new university. He considered the rise of the university as a factor that could affect a profession's development. In the cultural environment of a profession's development, he argued that the new university emergence could affect professional knowledge development (Abbott, 1988). However, he affirmed that the presence of professional schools is identified with the presence of university education. He also added that the relationship between them is inevitable, since the “*professions rest on knowledge and universities are the seat of knowledge in modern societies*” (p.195). Therefore, he disagreed with Ben-David (1965) and Bledstein (1976) in terms of the appearance of professionalism; however, at the same time he agreed with them about the relationship between professional education and university education. He assumed that the relation between them is inevitable.

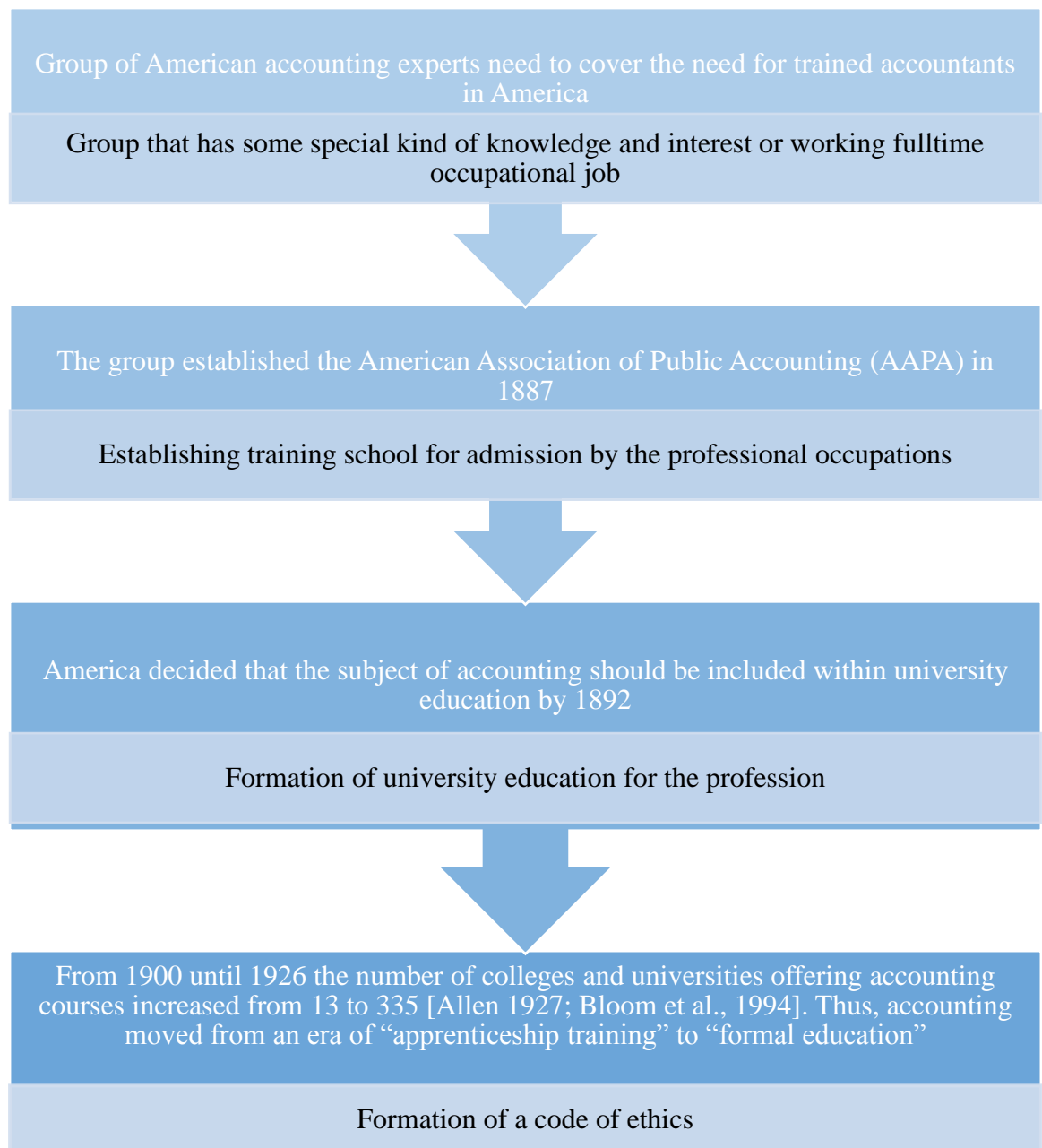
From his point of view, Abbott (1988) believed that universities have a number of impacts on professions (he considers the university as a factor). He suggested that universities could determine a profession by providing “*authoritative grounds for exclusive exercise of expertise*” (p.196). He also added that universities carry an amount of advanced knowledge that makes academic professionals develop their strategies, away from the practice

environment. Moreover, he found that universities could provide training for young professionals in conjunction with research functions. Finally, he claimed that universities might become another environment for inter-professional competition. Abbott's (1988) theory of professions presents something of a contradiction. He proved that the relationship between universities and professionals is inevitable, however he then mentioned that universities could separate from professionals, and provide vocational education for students without help from professionals. In fact, the relationship between universities and professional education has been long argued among academics; which comes first, the university or the profession.

What is related to this research is to underline which of these theories is consistent with the development of the accounting profession in SA. Wilensky's (1964) theory (See

**Figure 3.1: The application of Wilensky's (1964) theory to the history of accounting emergence in the USA.**

) about professions, is likely to follow the chronological history of the accounting profession's appearance in the USA.



**Figure 3.1: The application of Wilensky's (1964) theory to the history of accounting emergence in the USA.**

### 3.3.2 Professionalism- Professional status attainment

Nowadays, many researchers (e.g., Lyons, 2011; Reich, 2012; Phillips et al., 2012; Edwards & Daniels, 2012; Lewis, 2012; Haines & Saba, 2012; Sidhu & West, 2014) discuss Wilensky's (1964) theory in different professional occupations such as medicine, journalism, and children's services. Their arguments regard the formation of a profession and the knowledge that a special group needs, in order to create a professional association that is able to provide a unique service to clients. In regard to the children's services industry, Lyons (2011) suggests that Wilensky's view (1964) is an aspiration of researchers in the children's services industry, who investigate how professional status is obtained. Wilensky's (1964) suggestion that occupations engaged in '*human relations*' face difficulty in satisfying professional status because the lay public cannot recognize the need for special competence in an area where everyone is an "*expert*". Although, Wilensky (1964) argued that "*all occupations were becoming professionalized*", in his reaction to the belief of Foote (1953) who argued that even blue-collar workers were becoming professionals. Nevertheless, he was tempted to limit or close this concept only to groups that are able to practice their profession effectively, and seek for their advancement and development. Wilensky's view obtained widespread acceptance, since it was eliminating the differences between the status of different groups (Haug, 1988).

Edwards and Daniels (2012) concerns are about the knowledge of the professional group. They affirm Wilensky's view in accordance to the nature of the practice group's knowledge, and suggest that the knowledge construct is based on the motivations of the group.

*The knowledge in use in professional practice is selected and organised according to the motives that shape practice. Professional work therefore involves an aligning of personal motives, such as keeping children safe, with the motives to be valued*



*within the practices inhabited by the professionals such as the service ideal”*

(Edwards & Daniels, 2012, p.41).

Their statement confirms the Wilensky framework, that the shared knowledge within the group of practitioners and the uniqueness feeling they have regarding this knowledge, motivates them to move this occupation towards professionalization.

### **3.3.3 Accounting professionalism**

Sidhu and West (2014) mention another type of motivation stated in Wilensky's framework, which promotes the group to set up the profession - the motivation to serve society. The motivation to cover the needs of accountants promoted Americans to establish a professional association for accounting; the American Association of Public Accountants (AAPA) in 1887 (Bloom et al., 1993). In fact, there is consensus that the construction of the professionalization or professional body is the fundamental step for achieving and maintaining the professional occupation status (Wilensky, 1964; Phillips et al., 2012). Accordingly, that part of maintaining the profession's status is establishing the professional association.

The argument now is how could this apply to all societies which have a profession emergence event. What about the community that comes together a long time before establishing an association, could this affect the profession's status in the wider community? In the case of SA the professional association, SOCPA, was established in 1992, whilst the first university accounting course was offered in 1957. Abbott (1988) disagreed with Wilensky (1964) and claimed that not every profession should follow the same pattern. He assumed that when Wilensky stated his argument, it was possible that he was following the story of the common American professions' development at that time (Abbott, 1988).

What is important to this study is to pay attention to the theory that follows a similar scenario to the emergence of the accounting profession in the USA in the late 1800s. The reason for choosing the story of the evolution of the accounting profession in the USA is that it has to do with the first existence of the gap between academics and professionals and is linked to the story of the evolution of the accounting profession in the USA and the appearance of accounting university education, according to Bloom et al. (1994). Thus, Wilensky's (1964) theory and the emergence of accounting in the USA might be somehow related to this study's core problem; the gap in accounting education. This core problem needs to be validated by this research's findings to identify to what extent it might affect the case in SA.

#### ***3.3.3.1 University accounting education and the development of the schism***

Reviewing previous studies (e.g., Edwards, 1988; Stevenson, 1980; Rittenhouse, 1980; Bloom et al., 1994) indicates that the emergence of university accounting education could be the first spark that ignited the schism between academics and practitioners. The structure of the development of the accounting profession included two communities: academics and practitioners, each community adopted knowledge that differed in terms of its basis:

- Academics adopted knowledge based on theory
- Practitioners adopted knowledge based on practice and application (Allen 1927; Bloom et al., 1994; Moehrle et al., 2009).

#### **3.3.4 Protecting the professionalization status**

Caplow's (1954) theory has a different sequence from Wilensky's theory (1964). Caplow listed his theory of professionalization from the beginning of the establishment of the professional association. The role of the professional association is to exclude all unqualified members and establish a link within the group. Goode (1975) confirmed this thought and said that when describing a professional community “*The elite of any profession are usually*

*conscious of a communal identity*” (p.195). For a fresh start for this group, they attempt to change their title to eliminate their past and for a confirmation of their monopoly. The crucial matter of their attitude is to give a legal basis to their association, in order to reduce their internal competition and to control their knowledge. Wilensky (1964) confirmed Caplow's (1954) view, in terms of the linking nature between the establishing group members; he argued that from the 16th to 19th centuries, professionalism developed based on a sense of brotherhood in a “*self-regulating fraternity dedicated to the codes of honour and service*” (p.141).

Millerson (1964) rejected Caplow's (1954) claim that all professional associations do not attempt, from the beginning, to obtain professional status. Millerson (1964) claimed that the idea was to gather activities of workers, within an occupation, in order to provide their services to society in more developed and orderly ways. They sought as well, to improve their members' status. Overall, Millerson's (1964) theory depends on the idea that this group has their reasons to establish the profession, since they offer a service to society not available previously.

Although, Caplow's story is not consistent with the one in the USA, he did mention a matter important to this study, which could explain part of the schism story:

- The nature of the binding link between the members of the establishing group - later referred to as the occupational jurisdiction by Larson (1977) and Abbott (1988).
- The wish of the group to change their name in order to eliminate their past.

The assumption is now, that the collectivisation established by the group that leads them to exclude those who do not belong is what has created disharmony between the groups of professionals and academics, since they tend to keep their knowledge inside their own group.

In addition, this action of collectivisation has made both groups stick to their positions regarding the source of knowledge that accounting professional education should rely on.

Freidson (1988) created a concept called “*market shelter*”, his perception depended on the profession building a shelter to keep out all “*unqualified and competitors*” from the environment of the profession. In other words, to control and regulate the market by building a shelter around the professional association. Moreover, he claimed that the professional concept is an output of the “*American-Anglo*” work culture. Freidson's (1988) statement about American-Anglo thought confirms the researcher's belief that American accounting thought has somehow affected the development of the accounting profession in SA. (See the history of accounting emergence in SA in Chapter 1 Introduction).

Regarding the wish to eliminate the past, Caplow's view could explain the following:

Although, SOCPA, in SA, was established by academic educator members, from the beginning they sought to separate from the university community (see SA accounting history in Chapter 1 Introduction and Background). After those academics obtained their professional qualifications from the USA, they seemed to shift to the side of the practitioners and separate themselves from the academics. All of the above are assumptions that should be supported by the research findings from this study.

Even though Wilensky (1964) and Caplow (1954) were telling different stories, their views are in agreement that a profession's emergence begins with a professional association. In contrast, the emergence of accounting in SA occurred in the academic framework before the professional one, which makes the case of SA different from other communities. The surrounding environment, and the state of the work environment in SA, somehow contributed to making accounting emerge in the university community before the professional association. This researcher's belief is that foreign influences, and the lack of

Saudi practitioners, were some reason for this (see accounting history in SA in Chapter 1 Introduction and Background). The next section in this chapter reviews the theories that indicate that the surrounding environment could impact on a profession's development.

### **3.4 The theories of social factors impact on the professions development**

The sociology of theories of professions argues that all professions are linked in some way to their communities that they have arisen in, as well as the professions being products of their societies (Abbott, 1988). A profession is the work of a team that participates in an organized way to achieve continuous improvement in order to respond to the needs of a community. Further, in the sociology of work theories, an occupation is identified as a *“social role played”* by interested members of society that directly and indirectly gain *“social and financial consequences”* (Hall, 1994).

Since, accounting is one of these professional occupations, the above statement could be applied. Thus, accounting and other professional occupations are likely to be affected by their own communities. Becker et al. (2009) suggest that in the nineteenth century, or at that time, a professional occupation showed as an occupation with a special service trend towards a community. However, over time this view has been replaced. Freidson's (1988) and Larson's (1977) views are that an occupation is associated with the thought of providing special services to such a society, is facing challenges from different aspects.

In order to evaluate accounting's status in any society, it is important to study that society's environment first, for a better evaluation. Alhashim and Arpan (1984) emphasised that, *“to understand properly any country's accounting system, one must understand the country's environment. This situation is true even for properly understanding the accounting of one's own country”* (p.9).

### 3.4.1 Factors affecting accounting in Saudi Arabia

The environment of SA distinguishes it from others. Firstly, as mentioned earlier, SA is one of the HIOECs where the oil industry has changed its economic status through time. Secondly, the Saudi community is ruled by Islamic Sharia Law, where all transactions should obtain acceptance by Sharia (See Chapter 1 Introduction).). Thirdly, the age of the accounting profession in SA is about 50 years, which is considered young and lacking in maturity when compared to others in developed communities. Fourthly, the development of the accounting profession was affected, from the beginning by American. accounting thought, when the first accounting academics received their education from American. universities. All these factors could somehow affect the status of the accounting profession in SA. Freidson (1988) mentions that the “*political influence of professions*” is related to political, economic elites and the state, as well as the relation of professions to the market and the class system.

### 3.4.2 Factors distinguish the profession status

Various environmental perspectives are likely to impact on the rise of a profession in any environment. Social, political, legal, and economic factors could all play different roles in the context of the profession. Larson (1977), in her professionalism theory, affirms that the subject of professionalization can be distinguished from one system to another in accordance with the surrounding environment. When considering that accounting is one of these professions, Zeff (1972) claims that the integration between theory and practice and social, economic and political helps in building and developing the principles of accounting. Arpan and Radebaugh (1985) investigated some environmental characteristics such as educational, cultural, legal, political, and economic that could affect the building of the accounting profession system in any society. Moreover, Chambers (1966) claims that the basis of accounting is “*not the overt features of existing rules but the features of the environment in*

*which possible rules are to apply"* (p.6). Also, Chetkovich (1972) states the link between accounting and its underlying environment, taking into account that the accounting profession, in any country, should develop only in a manner that is related to the society in which it exists.

Although, Larson's (1977) theory is in contrast with others, such as those of Caplow (1954); Millerson (1964) and Wilensky (1964), in terms of a profession's emergence, she believes that the profession develops over time, and the profession is generally affected by its society. In other words, various environmental perspectives are likely to impact on the rise of a profession in any environment. Social, political, legal, and economic factors could all play different roles in the makeup of the profession. Larson (1977), in her professionalism theory, agrees that the subject of professionalization contrasts from one system to another. Perera (1989) agrees with Larson (1977) in that each community determines its own character and creates an appropriate environment that suits it. It is recognized that an accounting system, as a professional occupation and a product of the environment, is also affected by social and cultural impacts. Researchers (e.g., Mueller, 1967; 1968; Zeff, 1972) have emphasized that accounting could be defined and identified according to environmental factors.

According to Zhang (2005) there are some advantages to distinguish the environment or community when evaluating the status of accounting:

*First, it promotes improved understanding of the complex realities of accounting practices, as well as the factors that shape a country's accounting regulations;*

*Second, it provides useful information for solving some of the important accounting problems that exist in the world. For example, it can help policymakers assess the prospects and problems of international harmonization;*

*Third, it can assist in the training of accountants and auditors who operate internationally;*

*And finally, it can enable a developing country to better understand the available and appropriate types of financial reporting by seeing other countries' use of particular systems. By looking at other countries in its group it is possible to predict the problems that it is about to face, and the solutions that might work" (p.14).*

Bedford et al. (1986) suggest three steps when studying the status of accounting education in any community:

1) The expanding profession

Due to expansion of the accounting profession over time, accounting education fails in vital issues. Bedford suggests that it is important to evaluate the recent accounting education situation in order to make it able to face these issues.

2) The current state of accounting education

After the assessment of the current state of accounting education, Bedford found that future accountants will not be qualified enough to meet the expansion and complexity of the profession.

3) The future scope, content, and structure of accounting education

As a result, the Bedford Committee made some recommendations that could promote the profession in the future and contribute to solving some problems. These recommendations can also be considered as a guideline for accounting education.

Abbott (1988) argues that in the theory of professions “... *the profession cannot stand alone, it is always seen in a system. This system of a profession is affected by external forces. This external force can represent in social and cultural impact on the profession*” (p.33).



In the matter of the cultural environment of professional development Abbott (1988) considers three factors that could affect the profession's development; new knowledge, new legitimacy, new university. It is obvious that Abbott (1988) considers that the rise of the university is one of the factors that affects the profession's development.

### 3.5 Conclusion

In summary, the purpose of reviewing professional theories, in terms of the emergence of a profession in the community and in terms of the factors that affect the profession's development, is to identify to what extent these theories could provide an explanation to the issue of the gap in accounting between learning and practice. The case of the emergence of the accounting profession in SA did not conform to Wilensky's (1964) theory, where he stated that a profession's emergence, in a society, is within a professional framework, while in SA university accounting education appeared before the establishment of SOCPA in 1992. The researcher's suppose is that the case of the profession's appearance in SA could affect the status of the accounting profession in SA. Since, Abbott considers the university is one of the factors that could affect the profession's status, the researcher needs to identify, through the research result, whether the gap in accounting education exists or not, in the case of SA. Then, it is possible to evaluate the status of the profession in SA according to theory. With regard to the cultural influences, from the history of the emergence of accounting in SA, it is obvious that the profession has been affected by external factors such as the oil economy; however, the researcher intends to investigate whether there are other, internal factors that could affect the status of accounting in SA. Previous studies have not covered this area of research, so the researcher intends to investigate this through empirical research. Finally, bringing theories of professions to the matter of the accounting education gap could enhance the study's understanding and validity. Furthermore, it promotes the researcher methodology for this study. The method applied in this study is based on the *social*

*constructivism* assumptions which are concerned about people's knowledge that is obtained from their interaction with their surrounding environment every day. Their environment is impossible to explore without linking it to the background or theories (Blaikie, 2010). The next chapter will illustrate this in more detail.

## Chapter 4: Research Methodology

### 4.1 Introduction

For a long time, there has been a debate regarding the dominance of quantitative research methods in accounting research (Tomkins & Groves, 1983; Baker & Bettner, 1997; Reiter & Williams, 2002) in terms of the quantitative research methods' limitations in accounting studies. Tomkins and Groves (1983) argue that, “*The academic accounting fraternity seems to be locked into a myopic view of what research is*” (p. 361). Researchers, such as Baker and Bettner (1997), called for a change to other research methods and paradigms in order to investigate another type of reality in accounting studies. Tomkins and Groves' statement motivates this study to apply a qualitative research methodology, in order to fill the gap in accounting qualitative research literature. However, McNeill suggests that,

*the choice of the methodological approach largely depends on the subject or the philosophical framework of the research, as the model and research question determine the framework of the research. Thus, the nature, context and objectives of a study determine the research methods to be adopted.* (McNeill, 1990, p. 11-13)

The research methodology is a style of thinking and working adopted by academic researchers to organize the researcher's thoughts, analysis, and presentation. Thus, providing access to the results and the reasonable facts for the phenomenon intended to be investigated. Academic research is usually based on three dimensions - paradigm, philosophical assumptions, and strategies - which determine the method to be applied to explore a certain phenomenon associated with the subject and the content of the phenomenon. In this study the focus is on qualitative research, since the study's research questions, literature, and

profession theories are in line with a qualitative framework. All three dimension will be elaborated in the following sections of this chapter.

## **4.2 Research paradigms**

According to Burrell and Morgan (1979), “*All social scientists approach their subject via explicit or implicit assumptions about the nature of the social world and the way in which it may be investigated*” (p.1). Therefore, researchers should apply the appropriate philosophical framework that provides the best answer to the research questions.

Some researchers suggest that there are two philosophical paradigms that can be applied in social science research: positivism and interpretivism. On the other hand, some researchers adopt different segmentations and titles regarding the research philosophies or paradigms. It is not possible to identify one segmentation or title as the correct one, all of them are valid. Some segmentations are based on the considerations and resources adopted by the researcher and according to the disciplinary origins. For example, Collis and Hussey (2009), in the area of business research, claim that researchers could review different approaches that are held by the two paradigms: positivism and interpretivism. For instance, the concepts quantitative, objective, and scientific could be included under the positivist paradigm, and the terms qualitative, subjective, and humanist could be under interpretivism (Collis & Hussey, 2009). Blaikie's view (2010), relying on Kuhn (1970), divides the research paradigms according to social science research methodology and assumptions. Blaikie (2010) argues that there are four classical research paradigms: positivism, critical rationalism, classical hermeneutics, and interpretivism. However, when researchers tend to choose a paradigm, it should be consistent with the two-research types: qualitative or quantitative.

According to Bryman (2003) qualitative methodology is, *"an approach to the study of the social world which seeks to describe and analyse the culture and behaviour of humans and their groups from the point of view of those being studied"* (p.46).

The nature of qualitative research is very broad and includes a wide range of approaches and methods found within different research disciplines. However, a number of researchers (e.g., Barbour, 2011; Flick, 2009; Holloway & Wheeler, 2010; Denzin & Lincoln, 2011; Silverman, 2011) have attempted to determine the defining characteristics of qualitative research. They consider that qualitative research could be identified as an interpretative approach that is concerned with exploring phenomena *'from the interior'* (Flick, 2009). The argument of Hakim (2000) is that qualitative study is concerned more about the evaluation of the individual's attitudes, beliefs, behaviour, and perspectives. Therefore, qualitative research is often guided by interpretivism and a naturalistic approach to its subject (Denzin & Lincoln, 1994). According to Denzin and Lincoln (2011) qualitative research can be identified as,

*A set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings and memos to self ... qualitative researchers study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them.*  
(Denzin & Lincoln, 2011, p.3)

Despite the fact that qualitative research is very broad, the research paradigm should be consistent with the research methodology, research strategy, and method, since some combinations, in research methodology, cannot work together in the same set. Therefore,

following Denzin and Lincoln (1994) the present study aligns with the qualitative one and the interpretivism research paradigm is the most appropriate.

Interpretivism mainly focuses on exploring the complexity of social phenomena and seeks to translate and describe the nature of the research that could provide better understanding of the phenomena (Van Maanen, 1983). The researcher, in this study, through the main research question seeks to investigate the nature of accounting education in SA and identify if there is a gap in accounting education as the phenomenon in accounting education studies. Employing the interpretivism paradigm helps to: firstly understand the social construction of university accounting education in SA, then examine the case of accounting education in order to identify the existence of such a phenomena, such as the gap. This examination is conducted through extracting different groups' perception about the state of university accounting education in SA. An in-depth investigation is required; in this case the tools of the interpretive method, such as interview, can contribute.

During the past decades, discussions about the absence of qualitative research have been raised by some researchers (e.g., Tomkins & Groves, 1983; Broadbent, 1992, Wilkinson & Durden, 2015) and more recently, the interest in interpretivist methods has continually increased in the area of accounting research in general (Urdari & Tudor, 2014). Some researchers such as Chua (1986) highlight the debate about why accounting studies should move towards the interpretive paradigm,

*Mainstream accounting is grounded in a common set of philosophical assumptions about knowledge, the empirical world, and the relationship between theory and practice. This particular world-view, with its emphasis on hypothethico - deductivism and technical control, possesses certain strengths but has restricted the range of studied problems and the use of research methods. (Chua, 1986, p.601)*

On the other hand, studies in some topics of accounting such as auditing, financial, management, and others defend themselves by arguing the elite nature of the quantitative approach and the knowledge it produces (Lee & Williams, 1999). The defence for some researchers is to move towards interpretive research in accounting, in that they refer to accounting as a profession that should be in an interaction with the surrounding environment. The events in accounting cannot be independent and should exist within the social environment excluding, from this role, the physical problems in accounting, as defined by Maali & Jaara (2014),

*many accounting objects such as profit, unlike physical objects are socially constructed, they do not have an independent existence. Their existence is dependent on accounting rules and procedures, such rules are set and filtered by human, thus they are socially constructed objects.* (Maali & Jaara, 2014, p157)

According to Baker and Bettner (1997) it is important that accounting research increases the use of interpretive and critical perspectives, as the impact of the individual, organizations and societies can provide best understanding of the accounting subject. On the other hand, the arguments raised regarding criticising interpretive studies has been in terms of the lack of validity. Researchers (e.g., Gergen & Gergen, 2000; Smith & Deemer, 2000) have been arguing that interpretive studies suffer from a “*Crisis of validity*”. The core of this debate has been that, although there is agreement that interpretive research cannot be validated with traditional validation methods, it is still unclear how it should be validated (Lukka & Modell, 2010). However, nowadays, researchers are working to increase the validity of interpretive studies (Anderson, 2010), as,

*a researcher can check for the accuracy of the findings by employing a combination of multiple validity strategies: triangulation; member checking; rich, thick*

*description; clarify researcher bias; include negative or discrepant information; spend prolonged time in the field; use peer debriefing; use an external auditor.*

(American.edu, p.3).

Moreover, Friese (2014) claims that the application of the Computer-Aided Qualitative Data Analysis Software (CAQDAS) method also increases the validity of qualitative data. Other validation arguments will be illustrated further in the data validity section, as it is just as important to know about validation examples of other studies' arguments regarding the interpretive paradigm. There are advantages as well as disadvantages and limitation for applying such a paradigm, consequently this researcher cannot totally argue the qualification of the interpretive method used in this research. For example, the accuracy of a study is difficult to maintain, and demonstrate. In some cases, the acceptance and understanding of interpretive studies is not like the positivist cases within some scientific communities (Anderson, 2010). Professional disciplines, such as accounting, fall into this consideration as they believe more in numerical findings rather than descriptive findings.

Overall, interpretive research attempts to describe, understand and interpret human behaviours and actors applying to the symbols and the structures of the settings in which they find themselves (Baker & Bettner, 1997). The studies in accounting education mainly seek to examine or evaluate the concepts of accounting education or the relationship between academics and professionals. Moreover, if researchers have identified that accounting studies should increase the existence of interpretive studies (qualitative studies), it is worthwhile for accounting education to follow the interpretivism approach. The accounting education studies mainly deal with the perceptions of individuals (academic, practitioners ...) and also tend to study the environment, such as universities and professional bodies.



This study's in-depth investigation of individuals' perceptions and of the environment of the profession in SA, in terms of university accounting education and the professional body (SOCPA), seeks to evaluate the status of university accounting education and overall position of the profession in SA, and hence the possible existence of the gap. The research questions are intended to find answers regarding the state of accounting in SA. For example, one of the main research questions is:

*To what extent does university accounting education in SA produce graduates who meet the requirements of the current work environment in SA?*

The purpose of this question is to discover, in-depth, the situation of accounting in SA and what surrounding factors could be involved in the situation. To conclude the discussion, it is important to state that when the researcher has chosen the right combination of paradigm and research methodology, the study's acceptance and approval will increase (Morse et al., 2001).

### **4.3 Linking philosophy and interpretive frameworks**

The order of the research methodology segmentation differs from one study to another, even the concept's title. Nevertheless, as mentioned earlier, there is no one right way to follow; researchers can organize the order that best serves their study's needs. Therefore, in this study the interpretive research framework is stated before the philosophical social assumptions because the choice of the interpretivism research framework has determined the philosophical assumptions of this study.

According to Creswell (2013) there are five interpretive frameworks; post positivism, social constructivism, transformative frameworks, postmodern perspectives, pragmatism, and feminist theories. The philosophical assumptions (ontology, epistemology, axiology, methodology) for each one is determined according to their beliefs. This study adopted the

social constructivism/constructivism framework (see table 4.1). However, in terms of the methodological assumption, this study adopted an abductive research strategy instead of an inductive strategy. The abductive research strategy is consistent with qualitative studies according to Peirce (1903); Blaikie (2010) and Ong (2010).

As stated earlier, a qualitative study is very broad and cannot always be considered suitable for a specific framework; the most important factor is the consistency of the framework.

Further discussion will be included later, in the research strategy section.

	<b>Ontology</b> (Nature of reality)	<b>Epistemology</b> (What can be known; Relationship of knower & known)	<b>Methodology</b> (How knowledge is gained)	<b>Products</b> (Forms of knowledge produced)
<b>Positivist</b>	Reality is out there to be studied, captured, and understood	How the world is really ordered; Knower is distinct from known	Experiments, quasi-experiments, surveys, correlational studies	Facts, theories, laws, predictions
<b>Postpositivist</b>	Reality exists but is never fully apprehended, only approximated	Approximations of reality; Researcher is data collection instrument	Rigorously defined qualitative methods, frequency counts, low-level statistics	Generalizations, descriptions, patterns, grounded theory
<b>Constructivist</b>	Multiple realities are constructed	Knowledge as a human construction; Researcher and participant co-construct understandings	Naturalistic qualitative methods	Case studies, narratives, interpretations, reconstructions
<b>Critical/Feminist</b>	The apprehended world makes a material difference in terms of race, gender, and class	Knowledge as subjective and political; Researchers' values frame inquiry	Transformative inquiry	Value mediated critiques that challenge existing power structures and promote resistance
<b>Poststructuralist</b>	Order is created within individual minds to ascribe meaning to a meaningless universe.	There is no "Truth" to be known; Researchers examine the world through textual representations of it.	Deconstruction; Genealogy; Data-based, multivoiced studies	Deconstructions; Genealogies; Reflexive, polyvocal texts

**Table 4.1: Interpretive Research Frameworks- Source: Hatch (2002 p.13)**

#### 4.3.1 Social constructivism

The definition of social constructivism, as an approach, is to understand the world that we live in and work, develop subjective meanings from experience, look for complexity of perspectives and mainly depend on the research participants' perceptions (Creswell, 2013). Previous studies, in the area of university accounting education in SA, show lack of knowledge and background. Therefore, in order to construct a view regarding the current

state of university accounting education in SA it is necessary to investigate the current situation through the involved actors (academics, students, fresh graduates /employees). Social constructivism depends on the interaction between individual perspectives. In order to obtain the different perceptions, regarding the case of university accounting education, this study investigated other parties' perceptions (employers, professional body - SOCPA). The interaction between different individuals' perceptions, in addition to the interaction with the surrounding environment (place of living and working) could construct a subjective view regarding the state of accounting in SA. This researcher's motivation, to evaluate the state of accounting in SA, comes from the Bedford Report (AAA, 1986), which stated that when accounting education in such a community needs to be investigated regarding the gap, it is necessary to evaluate the current state of university accounting education first. For the purpose of evaluation, exploration, and understanding the situation this study adopted a social constructivism approach.

In terms of practice of social constructivism, *“the questions become broad and general so that the participants can construct the meaning of a situation, a meaning typically forged in discussions or interactions with other persons”* (Creswell, 2013, p.8). The questions asked of the candidates were open-ended questions, in order to extract as much knowledge, so as to eventually build an initial image about the current state of accounting education in SA. For example, one of the interview questions was:

*How well does Saudi Arabia's university education work, in your opinion, in terms of producing graduates in accounting?*

Enquiring about the outcomes of the accounting education system could point to the evaluation of the system, from the perspective of the participants regarding the graduates. For instance, if the participant answered that, *the graduates are good enough*, this indicates that the education system is capable, in his view. Nevertheless, the participant still needed

to explain why he thinks this and what is his evidence ... etc. Similar questions were asked of the participants from the different groups, in order to extract their perceptions. This allowed the researcher to evaluate the answers to identify to what extent universities produce graduates who meet the workplace requirements. More details about the interview questions will be explained in the data collection section.

In summary, the above supports the adoption off a social constructivism framework, in this study, in terms of the approach and practice. Social constructivism assured the importance of “culture and context” in understanding what occurs in a community and constructs knowledge in accordance with this understanding (McMahon, 1997; Derry, 1999).

#### **4.3.2 Social assumptions**

The two paradigms positivism and interpretivism (subjective-objective dimension) hold a number of philosophical assumptions (Burrell & Morgan, 1979). Creswell (2013) underlines four philosophical assumptions for the two approaches. The assumptions are; ontological, epistemological, axiological, and methodological. Some studies sought not to underline the social assumption (Creswell, 2013) and left it to the reader to figure it out. However, it is important to state the researcher's philosophical assumptions in qualitative studies for the following reasons:

- *It shapes how we formulate our problem and research questions to study and how we seek information to answer the questions.*
- *These assumptions are deeply rooted in our training and reinforced by the scholarly community in which we work. Granted, some communities are more eclectic and borrow from many disciplines (e.g., education), while others are more narrowly focused on such research components as specific research problems to study, how to go about studying these problems, and how to add to knowledge through the study.*

- *Unquestionably reviewers make philosophical assumptions about a study when they evaluate it. Knowing how reviewers stand on issues of epistemology is helpful to author- researchers.* (Creswell, 2013, pp. 18-19)

The ontological social assumption, realism, “*is concerned with the nature of reality and what there is to know about the world*” (Ritchie et al., 2013, p.4), while the epistemological social assumption, knowledge, “*is concerned with ways of knowing and learning about the world and focuses on issues such as how we can learn about reality and what forms the basis of our knowledge*” (Ritchie et al., 2013 p.6).

In regard to the social constructivism framework, Creswell (2013) underlines (see Table: 4.2) the social assumptions that are associated with each framework, these have been adapted from Lincoln et al. (2011).

<i>Interpretive Frameworks</i>	<i>Ontological Beliefs (the nature of reality)</i>	<i>Epistemological Beliefs (how reality is known)</i>	<i>Axiological Beliefs (role of values)</i>	<i>Methodological Beliefs (approach to inquiry)</i>
Postpositivism	A single reality exists beyond ourselves, "out there." Researcher may not be able to understand it or get to it because of lack of absolutes.	Reality can only be approximated. But it is constructed through research and statistics. Interaction with research subjects is kept to a minimum. Validity comes from peers, not participants.	Researcher's biases need to be controlled and not expressed in a study.	Use of scientific method and writing. Object of research is to create new knowledge. Method is important. Deductive methods are important, such as testing of theories, specifying important variables, making comparisons among groups.
Social constructivism	Multiple realities are constructed through our lived experiences and interactions with others.	Reality is co-constructed between the researcher and the researched and shaped by individual experiences.	Individual values are honored, and are negotiated among individuals.	More of a literary style of writing used. Use of an inductive method of emergent ideas (through consensus) obtained through methods such as interviewing, observing, and analysis of texts.
Transformative/ Postmodern	Participation between researcher and communities/ individuals being studied. Often a subjective-objective reality emerges.	Co-created findings with multiple ways of knowing.	Respect for indigenous values; values need to be problematized and interrogated.	Use of collaborative processes of research; political participation encouraged; questioning of methods; highlighting issues and concerns.
Pragmatism	Reality is what is useful, is practical, and "works."	Reality is known through using many tools of research that reflect both deductive (objective) evidence and inductive (subjective) evidence.	Values are discussed because of the way that knowledge reflects both the researchers' and the participants' views.	The research process involves both quantitative and qualitative approaches to data collection and analysis.
Critical, Race, Feminist, Queer, Disabilities	Reality is based on power and identity struggles. Privilege or oppression based on race or ethnicity, class, gender, mental abilities, sexual preference.	Reality is known through the study of social structures, freedom and oppression, power, and control. Reality can be changed through research.	Diversity of values is emphasized within the standpoint of various communities.	Start with assumptions of power and identity struggles, document them, and call for action and change.

**Table 4.2: Interpretive Frameworks and Associated Philosophical Beliefs- Source:**

**Creswell (2013, pp.36-37)**

The reason for identifying the interpretive framework for this study as "*social constructivism*" before the assumption, is because social constructivism is based on specific assumptions in terms of ontology (reality), epistemology (knowledge), and axiology (the role of value). The methodology assumption is discussed later, in the research strategy

section, since the study does not follow Lincoln et al. (2011) and Creswell (2013) in terms of the proposed methodological assumptions they present.

Reality/realism/or ontology, according to social constructivism, argues that human activity constructs the reality. The individuals, in the community, together create their world's features (Kukla, 2000), as Kim (2001) describes, *“For the social constructivist, reality cannot be discovered: it does not exist prior to its social invention”* (p.3).

Epistemology or knowledge, according to social constructivism argues that knowledge is constructed socially and culturally by human beings as well (Prat & Floden, 1994; Gredler, 1997; Ernest, 1999; Kim, 2001). Knowledge is constructed between the researcher and individuals through their interactions (Creswell, 2013) *“through their interactions with each other and with the environment they live in”* (Kim, 2001, p.3). Axiology/value, according to social constructivism believes that the individual's value is appreciated (Creswell, 2013), since they produce the reality and the knowledge. Without human interaction there is no existence of reality or knowledge.

Since this study aims to explore, describe, and understand the state of university accounting education in SA, social constructivism, according to its features, is considered to be in line with the study's objectives and research questions. The study set out to explore reality, through participants' perspectives and through their interactions with each other (e.g., academic-profession) and the influence of environmental factors. Literature on the history of accounting education in SA, listed factors that impact on the structure of the profession such as foreign influence and rapid economic development (See Chapter 1 Introduction). The economic environment in SA needs to be studied independently, in addition to the interaction of individuals regarding this environment. Social factors could play a role in the case of the accounting profession according to professionalism theory. This study sought to explore the nature of the accounting profession in SA and to identify the nature of the

complete accounting education system in SA, to see if a gap exists between theory and practice and moreover the extent of the perception of the gap, according to what is mentioned in the literature review. Furthermore, whether accounting graduates can meet the requirements of the rapid developments in the work environment. Therefore, this study investigated if there is such a wide gap between university accounting education, and what graduates are expected to know and do in the business environment. It is also the case of the observable accounting system in SA, if such a gap exists, then what is the nature that distinguishes this event from others mentioned in previous studies?

This researcher believes that the nature of qualitative research methods that apply, and strategy, which are line with the interpretivism paradigm, will serve the research objectives.

#### ***4.3.2.1 Methodological assumptions/ research strategy***

According to Blaikie (2010) the research strategy identifies the first step to answer the research questions. In social science studies, there are about four research strategies each of them suitable to be applied with a specific set of paradigms and methods. The four strategies are; inductive, deductive, retroductive, and abductive. The inductive strategy aims to generate hypotheses inductively from the data and answer the ‘what’ questions and is mainly associated with a qualitative methodology. The second research strategy, deductive, uses an existing theory or generates a new theory. *“The aim of the deductive is to find an explanation for an association between two concepts by proposing a theory, the relevance of which can be tested”* (Blaikie, 2010. p. 85). The deductive strategy mainly seeks to answer the ‘why’ questions associated with a quantitative approach. The third strategy, retroductive, *“aims to discover underlying mechanisms that, in a particular context, explain observed regularities”* (Blaikie, 2010. p. 87). Danermark et al. (1997) argue that in the social sciences, retroductive is a frame of deduction that is essential, as it mainly aims to answer ‘why’, ‘how’, and ‘what’ questions. The final type is the abductive strategy, which incorporates both inductive and



deductive strategies. This research applied the abductive strategy. Before highlighting the advantages of using the abductive strategy, it is important to know what factors could influence the researcher's choice in terms of research strategies. According to Blaikie (2010) there are five factors:

- ❖ The first factor that could influence a study is the researcher's familiarity or non-familiarity with one of the strategies. In this study the researcher was not familiar with the abductive strategy. However, according to the constructed research questions, this research asked the type of questions that an abductive strategy aims to answer. The research questions included 'what' and 'why' type question which an abductive strategy aims to answer.
- ❖ The second factor is the researcher's preference for specific social assumptions. The preference for social constructivism assumptions came from its consistency with the research aim and objectives. Social constructivism, as an interpretivist framework, is mainly concerned with social structure and the interaction between individuals. However, the preferred research strategy for the social constructivism framework is inductive; but this research adopted the abductive strategy. Blaikie (2010) claims that the abductive strategy is most likely to use an *idealist* or *subtle realist* ontology (this is a different segmentation of social assumptions adopted by Blaikie (2010) and *constructionism* epistemology. Nevertheless, as stated there is no one specific approach that the researcher should follow, “*qualitative research is difficult to define clearly. It has no theory or paradigm that is distinctively its own ... . Nor does qualitative research have a distinct set of methods or practices that are entirely its own*” (Denzin & Lincoln, 2011, p. 6). The importance is the consistency between the research methodologies (qualitative, quantitative), the research paradigm

(positivism, interpretivism), the research methods, such as (e.g., case study, survey, grounded theory), and the research techniques (questionnaire, interview).

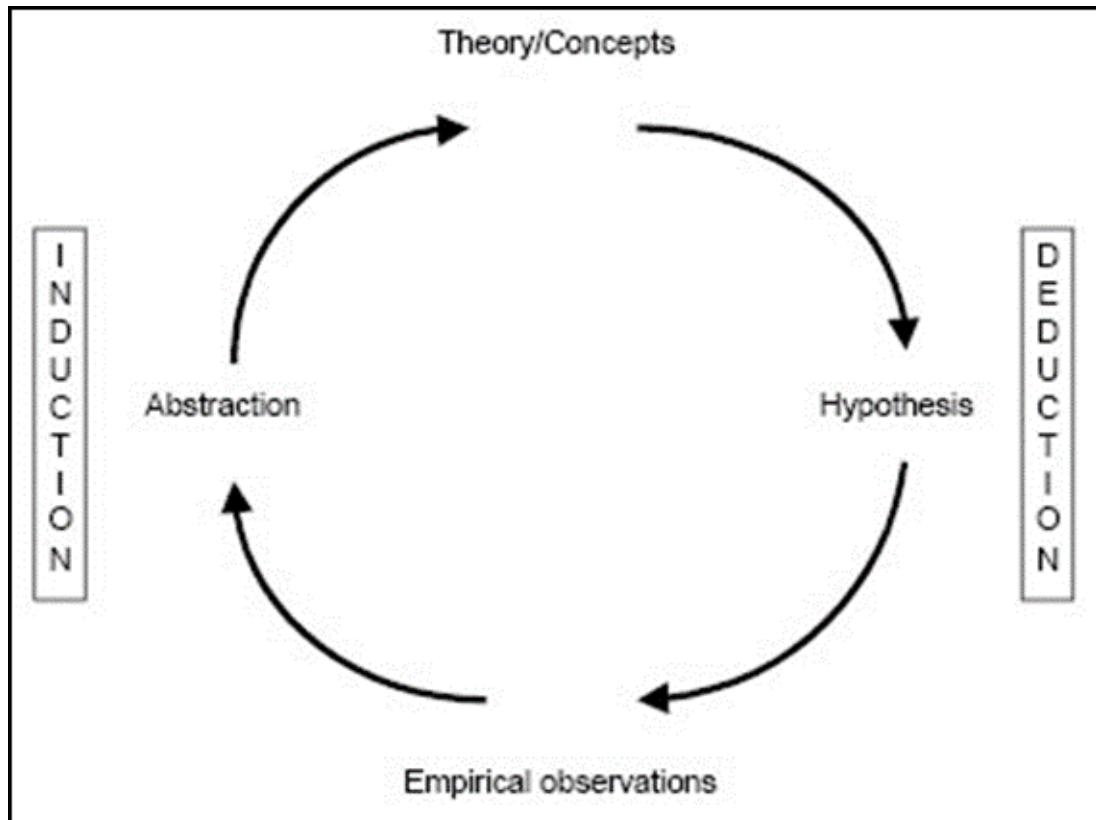
- ❖ The third factor is suitability of the research strategy and research method. This research followed a qualitative approach in order to address the problem in the research. Abductive, as a strategy, is adapted to the nature of qualitative research.
- ❖ The fourth factor is the audience's preference. It has been explained in this chapter's introduction section, that the prevailing trend now, in the field of accounting research, is qualitative research. Researchers are seeking to learn more about the different natures of reality using quantitative research. In addition, in the case of approaching a study of a particular phenomenon and the need to assess the surrounding environment in depth, as it is the case in accounting education research, the preferred method is the application of qualitative research in order to get in-depth details about the phenomenon.
- ❖ The fifth and final factor is the consuming of time, and costs, and the availability of resources and instruments needed by the researcher in order to complete this research project. Regarding the cost, this research project is fully funded by the Government of Saudi Arabia and King Abdulaziz University. In terms of time, in some qualitative studies, according to the methods involved such as interviews, it is recognized that interviews consume more time compared to other methods. Especially if it is primary research data and relies in the first place on the interviews. Conducting the interviews and the processing of the transcripts and then the analysis consumes a considerable amount of time. However, for the purpose of in depth investigation interviews were the preferred option for this researcher.

In summary, the above has identified the factors that researchers should take into account when choosing the research strategy.

In terms of approaching the abductive strategy in this research, it was important to illustrate its definition, features, mechanism, and why it is suitable to this study.

The abductive strategy is defined in the business dictionary as: *“The type of reasoning whereby one seeks to explain relevant evidence by beginning with some commonly well known facts that are already accepted and then working towards an explanation”*. In other words, it is a logical form that derives reliable data from descriptive data and is based on a hypothesis, and seeks to explore the relevant evidence. Julius Pacius, in 1597, was the first to introduce this method to illustrate *“Aristotelian concept apagoge”* Reichertz (2009). Then, three hundred years later Peirce (1903) assured that abduction is distinguished from two other types of logical form: *deduction* and *induction*.

The main differences of these three strategies (*induct- deduct- abduct*) are that: in deductive the researcher already has prior knowledge, and hypothesis about the phenomenon. Pre-existing knowledge is used to build a prediction about what could be observed in reality; pre-concepts are driven from a general to a more specific framework. In contrast, induction logic is based on moving the general concept (the real world observation) to be a more specific one (abstract concept). In other words, the observations of the research, *“are generalised to more abstract concepts. To the extent that these abstract concepts can be linked into a coherent whole, a theory can be said to result”* (Miller & Brewer, 2003, p.1). Figure 4.1 illustrate the mechanism of the induct-deduct approach according to Miller and Brewer (2003).



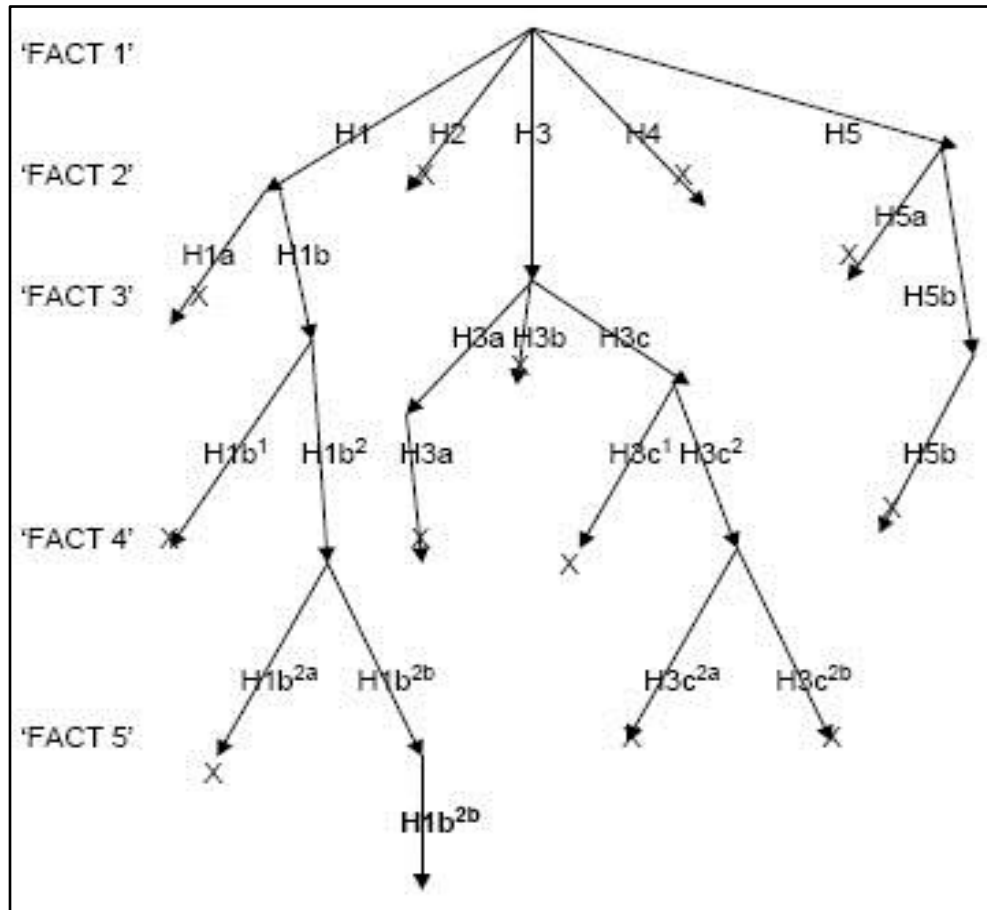
**Figure 4.1: Traditional Depiction of The Processes of Logical Inference in Research -**

**Source: (Miller & Brewer, 2003, p.1)**

In fact, both inductive and deductive are ways to build research hypothesis from abstract concepts or empirical observation. The abductive form, also shares the idea of generating the hypothesis, but it is associated with the moment of creative inspiration in which a researcher creates a hypothetical explanation of some observed reality (Miller & Brewer, 2003).

An abduction strategy illustrates theoretically any set of empirical observations by a number of alternative explanations. Therefore, the researcher gains more evidence, some of which can be eliminated and some which can be used. The range of options will be reduced in order to reach one perfect reality interpretation. The choices that escape elimination will gain credibility and be employed to generate new “hypothetical explanations”. The researcher will seek to find one correct explanation that suits all the available concepts, which gives the

research complexity. *“If the abductive process is working correctly, however, eventually each additional bit of information eliminates more hypothetical explanations than it generates so that, in the end, only a single hypothesis remains that fits all available information”* (Miller & Brewer, 2003. p.3). Figure 4.2 is an example of how abduction works.



**Figure 4.2: The Process of Abduction- Source: (Miller & Brewer, 2003, p.3)**

Through the last decades and until recently, researchers from different disciplines have approached an abduction strategy in their qualitative research. Throughout this time, the two researchers who emphasized the importance of the abductive form, in social science studies, were according to Gold et al.,(2011), Peirce and Blaikie. Urdari and Tudor (2014) claim that abductive strategy is much developed nowadays, but still not recognized by researchers and

practitioners. In the field of accounting studies, there have been few attempts to apply the abductive strategy (e.g., Modell, 2009; Lukka & Modell, 2010; Urdari & Tudor, 2014). All of these studies applied the abductive strategy in management accounting. However, their research structures were different, in that they applied different frameworks, assumptions, methodology, and methods.

Modell (2009) used a mixed methods approach in management accounting research, and critical realism assumptions. The paper sought to solve two criticisms of the use of triangulation in mixed methods research, straddling the functionalist and interpretive paradigms. In order to solve the problem, Modell (2009) designed a new model of triangulation that, “*rests heavily on abductive reasoning as a means of deriving theoretically informed explanations while preserving researchers’ sensitivity to variations in situated meanings*” (p.209). Modell's argument regarding the use of an abductive strategy, in management accounting studies, in terms of solving the triangulation issue is that,

*abduction is about developing theoretical explanations based on emerging empirical observations. However, it does not move directly from empirical observations to theoretical inferences, as is the case in purely inductive research, but relies heavily on theories as mediators for deriving explanations. Theories are themselves human constructions and thus potentially fallible. Hence, mixed methods research combined with abductive reasoning can never lay claims to having exhausted all possible causal explanations.* (Modell, 2009, p.213).

In 2010, Modell joined Lukka and they debated the validation of interpretive research in management accounting. They argued that by combining such a strategy with systematic mobilisation of the notions of contrast class and counterfactual conditionals, researchers may convince readers of the plausibility of particular explanations.

Urdari and Tudor (2014) listed the advantages of applying the abductive strategy in accounting research. They developed a conceptual study; the paper discovered new ways to build a theory and suggested a way to reduce the gap between practitioners and academics, as well as a way to promote the development of the theory. They claimed that according to Gold et al. (2011) an abductive strategy can provide a way to communicate with accounting practitioners through the provision of solutions for the challenging problems they may face. Moreover, according to Ong (2012) the abductive strategy could help to detect and construct theories that focus on everyday life. This current study intends to understand the case of university accounting education in SA. Previous studies and theories of professions claim that a gap exists between learning and practice in accounting education. However, the final judgment about the case of SA needs more investigation and understanding to see if such is the case in SA. The views of Ong (2005) and the limited literature on accounting education in SA, were important motivations to applying the abductive strategy in this research. Some studies have combined the abductive strategy with grounded theory, as both approaches are intended to generate a theory at the end of the study. However, this study adopts the case study approach in order to investigate the state of accounting in SA.

## **4.4 Research method**

### **4.4.1 Case study design**

Case study is one of the qualitative approaches (Denzin & Lincoln, 2011; Creswell, 2013). It is defined as a method that concentrates on a particular phenomenon in its environment. Case study is preferred when “*trying to attribute causal relationships*” (Yin, 1993). Collis and Hussey (2009) argue that case study is a method to explore a “*single phenomenon*” in its natural context by using a variety of methods in order to extract in depth knowledge about

the case. Concentrating on the specific case and investigating the relationships was the main reason for choosing this method in this research study. Moreover, according to the social assumptions framework - social constructivism - the recommended method for approaching this framework is case study, since it is important to approach the method that meets the social assumptions (Collis & Hussey, 2009). In regard to the research questions, the case study method accordingly seeks to answer 'how' and 'why' questions (Yin, 2003). In this study, the case is that in SA there is a need for investigation and understanding, in depth, of the state of university accounting education in terms of it producing graduates who could meet the workplace's requirements. Then, if the case of a gap exists in SA, it is necessary to understand why it exists and what are the factors that could influence the profession.

It is important to state the intentions for choosing case study for this research (Creswell, 2013). As mentioned earlier, with the abductive strategy the researcher tends to apply grounded theory, as both seek to generate theory. However, this study's main aim is to explore and understand the case of university accounting education in SA. The lack of previous literature motivated the researcher to conduct such a study, in addition to the intention to investigate the issue of the gap between learning and practice in accounting education in SA through case study. Moreover, this research seeks to be the first to use such a combination of research methodology elements, in order to examine the validity in this type of research approach.

According to Yin (2009) a case study's first step begins with identifying a specific case. Case study is a method under the interpretivism paradigm, according to Collis and Hussey (2009), and one of the main features of the interpretivism paradigm is using a small sample in order to obtain concentrated data about the case, hence the in depth investigation. This specific case could be the "concrete entity". The concrete level should be at least individuals, small groups, or an organization. The concrete level in this study is the universities that offer



accounting courses in SA. In addition to the individuals in the universities' (academics and students) there were other groups: employees, employers, and the professional body. Nevertheless, the main case is concentrated on university accounting education.

According to Yin (2003) and Collis and Hussey (2009) there are two types of case study according to its use: *exploratory* case study and *opportunistic* case study. The *exploratory* case study is used in the event of a deficiency of prior theories and knowledge. The *opportunistic* case study is used when the researcher has the opportunity to access a specific case, such as a business or a person, in order to examine the phenomena there (Otley & Berry, 1994). Scapens (1990; 2004) adds another four types of case study methodology according to its features in serving the study's objectives: *descriptive*, *illustrative*, *experimental*, and *explanatory*.

- *Descriptive*: aim to describe the current practice.
- *Illustrative*: aim to illustrate new and possible innovation in practice.
- *Experimental*: aim to examine the obstacles of adopting new process or technique and the evaluating the advantages of that.
- *Explanatory*: seek to understand the current theory and explain what is happening (Collis & Hussey, 2009, p.82).

As mentioned in the qualitative study section in this chapter, there is no restriction; researchers can choose the method that promotes their study's results and objectives. Hence, one or more type of case study methodology can apply in the same study.

This research used exploratory, descriptive, and explanatory case study approaches.

- ❖ Exploratory: to investigate the case of accounting education in SA, in depth, due to the lack of literature in this area of research.

- ❖ Descriptive: in order to understand what is the case of accounting education in SA in terms of producing graduates who could meet the workplace needs.
- ❖ Explanatory: to identify if the case of the gap exists (previous literature and theories assure the gap in other cases); the researcher wants to know why such a thing could happen in SA and what factors are involved in this case.

Final point, the above types of chosen case studies aim to answer ‘*what*’ and ‘*why*’ research questions, which is also what the abductive strategy aims to reveal.

Collis and Hussey (2009) list five main stages to apply in case study: 1- selecting the case; 2- preliminary investigation; 3- data collection; 4- data analysis; 5- writing the report. The first two stages have been presented earlier in this chapter (choosing the research methodology, strategy, and paradigm). The other three stages are presented in the following sections.

#### **4.4.2 Data collection**

The data collection process illustrates how, where, and when data is collected. In other words, the method intended to collect the data and the description of the data in terms of the sample type.

##### ***4.4.2.1 Data collection techniques***

One of the main challenges of grounded, qualitative or interpretive methodology is determining the method that maintains the “*integrity*” of the data, since most qualitative research needs to be explored within its environment (Collis & Hussey, 2009). Collis and Hussey (2009) suggest collecting prior knowledge about the case before starting to collect the data. They call this techniques “*contextualization*”. Their argument is that the, “*data can relate to aspects such as time and location, or legal, social, political and economic influences*” (p.143). For example, in the case of this study, the researcher had to take into consideration that SA is a HIOEC (the economic factor is one of the factors that could affect

a profession's development according to professionalism theory). Previous studies, in the area of accounting education, emphasize that when studying accounting systems in any community, HIOECs should be distinguished from any other developing countries, since the oil industry boosts the country's economy and changes the business environment's characteristics. According to Collis and Hussey (2009) much of the prior knowledge about the phenomenon could be obtained from the literature. After the collection of prior knowledge, the researcher can move to the next step which is to decide what technique will best work with the research methodology and paradigms. The data collecting method that is preferred with qualitative research is the interview (Arksey & Knight, 1999). Another factor that motivated this researcher to use interview, is that it can support in depth investigation and hence gather detailed knowledge about the phenomenon. Prior studies, in the area of accounting education in SA are lacking, therefore the researcher was motivated to obtain knowledge that could fill this gap and promote future studies. Some researchers, such as Bryman (2003) argue that the knowledge obtained by interviews is very subjective; however, it is still the preferred method for qualitative research and for this study (for consistency with the research paradigm and strategy). The main target for this study is to obtain in depth knowledge about the state of university accounting education in SA.

#### *4.4.2.1.1 Interview*

The interview method was used in this study because it enables direct first-hand information to be obtained about the subject of inquiry. Some researchers (e.g., Fontana & Frey, 2000; May 2001; Mason, 2002; Patton, 2002; Mcleod, 2014) distinguish between two main types of qualitative interviews: unstructured and structured, whereas other researchers include three other types: semi-structured, informal, and focus group. Each technique has its strengths, limitations, and consistency with the research methodology. This study adopted semi-structured interviews as a means of gathering primary data. According to Myers (1997)

this method of interview has features of both structured and unstructured interviews and therefore uses both closed and open questions. As a result, it has the advantage of both methods of interview. In order to be consistent with all participants, the interviewer has a set of pre-planned core questions for guidance, such that the same areas are covered with each interviewee. As the interview progresses, the interviewee is given the opportunity to elaborate or provide more relevant information if he/she opts to do so.

For the purpose of in depth and wide investigation, this study used semi-structured interviews with open-ended questions. According to Bernard (1988) the semi-structured interview is preferred when the researcher only gets one chance to interview the participants. Furthermore, semi-structured interviews enable the researcher to be flexible and to make modifications according to the context. Taking into account that the interviews were arranged to take place in different institutions (university, business sector: banks and companies) such flexibility and modification was necessary. In semi-structured interviews the researcher can use open-ended and close-ended questions. However, this study used open-ended questions, in order to extract rich data from the interviewees (Hoepfl, 1997) (See Appendix 1)

#### *4.4.2.1.2 Sample description*

This study included five groups of participants: accounting academic educators (see Table 4.3 for demographic details) A is for academic and P is for participant, final year accounting students (see Table 4.5 for demographic details) S for students (F for female and M for male), fresh employees or new employees (1-4 year of experience) E is for Employees (see Table 4.4 for demographic details), Human resource managers HRMs (employers) B is for Business (see table 4.6 for demographic details), and the professional body SOCPA P is for professional (only one member of SOCPA, the general secretary).

ID	Gender	Qualification	Position	Year of experience
A-P.1	F	Master degree	Lecturer	3 years
A-P.2	F	Master degree	Lecturer	29 years
A-P.3	M	PhD. + Pro. Qu	Professor	27 years
A-P.4	F	Master degree	Lecturer	2 years
A-P.5	M	PhD.	Assistant Professor	8 years
A-P.6	F	Master degree	Lecturer	6 years
A-P.7	F	PhD.	Assistant Professor	10 years
A-P.8	F	Master degree	Lecturer	2 years
A-P.9	M	PhD.	Assistant Professor	4 years
A-P.10	F	Master degree	Lecturer	3years
A-P.11	F	Master degree	Lecturer	5 years
A-P.12	M	PhD. + Pro. Qu	Professor	25 years

**Table 4.3: University Academic Demographic Details**

ID	Gender	Qualification	Year of experience
E-P.1	F	BSc	2
E-P.2	F	BSc	3
E-P.3	M	Master degree	2
E-P.4	F	BSc	4
E-P.5	F	BSc	1
E-P.6	F	BSc	Less than 1
E-P.7	M	BSc	2

**Table 4.4: New Employees Demographic Details**

Total Number	Female	Male	Year of study
17	12	5	4

**Table 4.5: Accounting Students' Demographic Details**

ID	Gender	Position	Place of work
B-P.1	M	HRM	Bank
B-P.2	M	HRM	Bank
B-P.3	M	HRM	Private company
B-P.4	M	HRM	Private company
B-P.5	M	HRM	Private company
B-P.6	F	HRM	Bank

**Table 4.6: Business sector demographic details**

The sample was selected through a non-probability sampling method, and the researcher interviewed a total sample of 43 participants over a period of six months. According to Kumar (2011) the non-probability sampling method does not,

*follow the theory of probability in the choice of elements from the sampling population. Non-probability sampling designs are used when the number of elements in a population is either unknown or cannot be individually identified. In such situations the selection of elements is dependent upon other considerations. (Kumar, 2011, p.206)*

The definition of the non-probability sampling method highlighted the reason of choosing this method. The sample, representing each group, was difficult to reach as the culture of interview acceptance and awareness in academic research is still not fully recognized in SA, especially if the interviewer is a female, as is the case in this research. In addition, the size

of the sample could not be determined (the number of accounting educators, students, employers ...), therefore the researcher favoured the non-probability approach, as the probability sampling technique was unachievable in this case study. Kumar (2011) listed five types of non-probability sampling methods: 1. quota sampling; 2. accidental sampling; 3. judgemental sampling or purposive sampling; 4. expert sampling; 5. snowball sampling. This project used a combination of two types: judgemental sampling or purposive sampling and snowball sampling.

The focus of purposive sampling is that the researcher's judgment, *"can provide the best information to achieve the objectives of your study..."* the researcher only goes to those people who in her/his opinion, *"are likely to have the required information and be willing to share it with you"* (Kumar, 2011, p. 207). Due to the lack of prior knowledge, this researcher's belief was that universities' academics and students could be included to investigate university accounting education, so they were the target sample. In terms of the business perspective, regarding the suitability of university graduates, the researcher's belief was that HR and fresh employees in accounting departments could provide the required knowledge. Finally, in terms of the professional body in SA, there is only one professional body (SOCPA), the General Secretary's (G.S.) perspective could reveal in depth knowledge regarding the case of the profession in SA. Therefore, purposive sampling was in line with the study objectives. The researcher's main aim was to investigate the accounting education system in SA in depth in order to clarify the most internal and external factors that could affect the system. Accountancy firms were not included in this study as the results that could be deduced, if accountancy firms in SA were included, would not benefit the research in a number of aspects. Firstly, accountancy firms are not one of the most attractive places for accounting graduates to work in after finishing their degree in SA, as the job requirement is high compared to the banking sector or other private companies. Some accountancy firms

require professional qualifications and years of experience, which are difficult for fresh graduates to obtain. Another reason, from the researcher's investigation is that there is no connection between universities and accountancy firms in terms of student training programmes. Most training programmes are held in either banks or private companies. Accordingly, the employees in SA's accountancy firms are not one of this research's main targets to investigate, especially as the majority are not Saudi nationals.

The second type, a non-probability method was snowball sampling, which Kumar (2011) claims is the process of selecting a sample using networks. For example, in the academic educators group, the snowball sampling began with emailing academic staff in universities' accounting schools and some of them identify others in the same university or other universities. Also, the researcher was in contact with people who worked as accounting staff who also identify other groups. The process continued until it reached the “saturation point” where the academic participants did not reveal new information and perspectives regarding the case; the sample total reached 12 participants.

In terms of the students, there was a similar process, however the academics were the ones who identified the students to the researcher. *“This method of selecting a sample is useful for studying communication patterns, decision making or diffusion of knowledge within a group”* (Kumar, 2011, p. 208).

The sample of accounting educators consisted of 12 academics from seven Saudi universities that offer a Bachelor's accounting degree. The sample of students consisted of 17 final year students from the same seven universities. The sample of employees consisted of seven fresh employees from four organizations in the business sector in SA. The sample of HR consisted of six participants from five organizations in the business sector. Finally, the sample from the professional body consisted of one participant, the General Secretary of SOCPA. The



reason behind this was that, the researcher was seeking to investigate the connection between SOCPA and university education in depth, and to what extent could SOCPA (profession) play a role in university education. Therefore, the researcher was keen to detect the trusted wide knowledge from SOCPA. The researcher's belief was that this could be obtained by interviewing the General Secretary of SOCPA, as he offered to answer all questions concerning SOCPA when contacted. The SOCPA interview questions were constructed around SOCPA's relationship with the universities and its assessment regarding university outputs. These type of questions in the researcher's opinion should be directed to the person holding the position at the top of the organisation's hierarchy. In addition, the researcher believed that any further interviews with SOCPA would provide the same information. Finally, the General Secretary of SOCPA has had experience of university education first hand. He graduated and worked as a professor before working for SOCPA. Therefore, the researcher's belief was that the information that could be extracted from him would benefit this study's aims.

The universities that were included in this study were King Abdul-Aziz University, King Saud University, King Fahd University for Petroleum and Minerals, Taif University, Tabuk University, Princess Nora bint Abdul Rahman University, and Effat University. The organizations that were investigated were the National Commercial Bank, Al Rajhi Bank, a private financial services group, Abdul Ghani Hussain Group in Medina, and a private travel agency company. This research covered only private business employees in SA for a number of reasons. One reason being that it was difficult for the researcher to get access to the governmental organization, as she is a female and she is not allowed to interview males in any governmental organization. In addition, interviewing governmental employees involved complicated procedures in order to obtain permission. Furthermore, the researcher main aim was to explore the relationship between university education and the business sector in SA.

Another reason was that according to the researcher's knowledge and investigations, there is no cooperation between the universities and the business sector in terms of graduate training programmes. So, the information obtained would be irrelevant for the study. In addition, accounting graduates are more willing to work in the private business sector rather than the government one, since they look to the advantages and benefits of private sector jobs more than those in the government sector. The last reason is that the predominance of accountant jobs in the government sector are for males more so than females. If the researcher took the government sector into account, the sample would consist of males only, also not to mention the difficulty of conducting interviews with them, as previously mentioned. Overall, the researcher considered this as one of the research limitations.

#### *4.4.2.1.3 The interview protocol*

The interview protocol was a semi-structured interview, and the questions were open-ended with follow up questions aimed at extracting more details regarding the participants' perceptions about the case (Appendix 1:). The researcher and supervisor developed the interview questions depending on some resources. The interview questions for this study were constructed in order to find answers for the research main questions (See Chapter 1 Introduction and Background). The researcher followed some sources in order to formulate the interview questions. Firstly, the prior studies that confirm the gap in accounting education (e.g. Stevenson, 1980; Bloom et al., 1994; Bedford Committee Report, 1986; Big 8 Wight Paper, 1989; Albrecht and Sack, 2001; Wilson, 2014) and the schism in relations between academic and profession (e.g. Sterling, 1973; Bricker & Previts, 1990; Cooper & Zeff, 1992; Bloom et al., 1994). For example, question one for the academic group: '*In your opinion, how well does the Saudi university education work in terms of producing graduates in accounting?*' was formulated according to the Bedford Committee Report in order to evaluate the state of accounting in SA. Overall, all questions in this group explored the state

of accounting in terms of the profession and education quality (see Appendix1). The questions under the title group Profession, that were asked to academic participants, were intended to clarify the relationship between academics in SA and the profession (SOCPA) and investigate the term *schism* highlighted by researchers such as Sterling (1973) and Bricker and Previts (1990). Examples of these being: *'How would you describe the nature of the relationship between accounting education and the accounting profession?'* and *'To what extent, in your opinion, would the profession participate in accounting education?'*. Moreover, the researcher took into account the studies that distinguished the characteristics of SA as a HIOEC (e.g. Abdeen & Yavas, 1985; Yapa & Wijewardena, 1996) and asked the question: *'Where do you think accounting education in Saudi Arabia stands nowadays?'* *Why do you think that?'*. To address a conservative community significantly influenced by religious instructions and society's mores (See Saudi Arabia context in Chapter1) the question: *'To what extent, in your opinion, has (religion- culture- society) had an influence on accounting in Saudi Arabia?'* was asked. Furthermore, the researcher considered the theories and studies that underline the profession emergence and factors affecting a profession in any society (e.g. Wilensky, 1964; Larson, 1977; Alhashim & Arpan, 1984; Abbott, 1988; Freidson, 1988; Perera, 1989; Becker et al., 2009; Laing & Perrin, 2011). The researcher also depended on information provided by accounting education colleagues in the University of Portsmouth, University of Southampton, universities in SA and colleagues from other departments regarding the accounting education system. Finally, the researcher depended on prior knowledge obtained from her Master's degree dissertation project titled the "Expectation Gap between Accounting Students and Employers" carried out in 2010.

The interview questions were translated into Arabic, since the interviews were conducted in Arabic. The questions were translated in a number of phases. First, the researcher translated the questions into Arabic, and then sent them for translation to two academic colleagues,

who speak and write both English and Arabic. Second, the three versions of the translated questions were reviewed in order to make a comparison between them in terms of the words and meanings. Thirdly, the translated versions were sent to a third academic colleague to translate from Arabic to English, just to guarantee the meaning as much as possible. Finally, the researcher approved the Arabic version that was closest in terms of meaning and content to the English version and used this version to conduct the interviews. The interviews were conducted in two stages. The first stage included the accounting educators, employees, and HR, and SOCPA. The second stage was conducted with the students. The prior knowledge obtained from the four groups' perspectives on students, in terms of their qualifications and skills in accounting, was used to construct the questions for the student group. The benefit of this process was to identify the points unanimously identified by the participants from the other groups in addition to raising the validity and authenticity of the interview questions for the students. The researcher moved frequently between the study and research fieldwork. The semi-structured interviews consisted of the following themes, some examples are presented next.

- Education quality / accounting academics

What participants think about the quality of university accounting education in SA. The weaknesses and the strengths, the state of university education, the comparison with other regional countries, the influencing factors (religion- culture- society), and job satisfaction.

- Curricula, teaching methods, other factors

The curriculum design and development. The curriculum in relation to teaching methods, profession, and business environment. IFRS adoption influence. Students required and acquired skills. Work experience.

- Profession

Nature of the relationship between accounting education and the accounting profession. Alignment between university curriculum and professional curriculum. Comparison between university and professional qualifications.

- Business

University graduates' preparation, Saudi business sector's requirements and expectations, adapting to the work environment. More details are provided in Chapter 5.

#### *4.4.2.1.4 Interview procedures*

Ethical approval for this study was obtained from the Business School's ethics committee at the University of Portsmouth (See **Appendix 2:**). All participants were provided with a participation consent and information sheet about the study's identity, aims and objectives. As mentioned earlier, due to the lack of recognition of a culture of using interviews for research purposes in the SA community, the majority of male participants rejected face-to-face interviews. For this reason some phone interviews were conducted. The face-to-face participants were interviewed in the universities and places of work. The SOCPA G.S was interviewed by phone, since he is located in Riyadh. Some participants rejected having their interviews recorded, so the researcher had to take notes during these interviews. The interview durations ranged from 30 minutes to about 90 minutes.

#### *4.4.2.1.5 Data saturation*

Researchers stop conducting new interviews when they reach “saturation point” or “data saturation” where no new information or codes are revealed. According to Friese (2011), “*Saturation is the point in time when one realizes that no new codes emerge. When reading further, noticing still occurs but one only applies codes that already exist*” (p.15). When applying qualitative research methods, there is no one size of sample that fits all, since

study designs are not universal (Fusch & Ness, 2015). However, researchers do agree on some general concepts when it comes to sample size or when to stop conducting interviews; when no new data, no new themes, no new coding, and ability to replicate the study is reached (Guest et al., 2006). The researcher found that the extracted knowledge from participants could replicate the study (O'Reilly & Parker, 2013; Walker, 2012; Ravitch, 2015).

#### **4.4.3 Data analysis**

All participants' responses were submitted to qualitative data analysis. For the present study, content analysis was considered an effective method that could help the researcher to catch the meaningfulness of the participants' expressions, and descriptions of the phenomena being raised in the organisations (Lindkvist, 1981; McTavish & Pirro, 1990; Tesch, 1990).

The aim of content analysis is, *"to provide knowledge and understanding of the phenomenon under study"* (Downe-Wamboldt, 1992, p. 314). Furthermore, content analysis is the preferred approach when open-ended questions are used, since open-ended questions could generate new information/data (Kumar, 2011). According to Hsieh and Shannon (2005), there are three types of content analysis, choosing the specific type of content analysis is based on the, *"theoretical and substantive interests of the researcher"*

See table 4.7.

<i>Type of Content Analysis</i>	<i>Study Starts With</i>	<i>Timing of Defining Codes or Keywords</i>	<i>Source of Codes or Keywords</i>
Conventional content analysis	Observation	Codes are defined during data analysis	Codes are derived from data
Directed content analysis	Theory	Codes are defined before and during data analysis	Codes are derived from theory or relevant research findings
Summative content analysis	Keywords	Keywords are identified before and during data analysis	Keywords are derived from interest of researchers or review of literature

**Table 4.7: Major coding differences among three approaches to content analysis**

**Source: (Hsieh & Shannon, 2005, p.1286)**

The three types are conventional content analysis (CCA), directed content analysis, and summative content analysis. For the present study the CCA approach was adopted, to analyse the interview data. The factor that motivated this choice of CCA was that it is mainly used with a study that aims to understand and describe specific phenomena. In this study, this is the expectation gap between learning and practice in accounting education in SA. More important, is that this approach is used when there is a limitation in theory or literature of the phenomena, as is the case in this study. Due to this limitation, the researcher tried to avoid “*preconceived categories*”, since the lack of prior knowledge (Kondracki & Wellman, 2002) required the researcher to depend more on the themes/categories raised from the collected data to generate the final results. This approach is mainly connected to the inductive strategy (Mayring, 2000); however, in the present study CCA was applied with an abductive research strategy.

After the interviews had been recorded and transcribed, the transcripts before being analysed, passed through a number of phases. First, the researcher transcribed the interviews in Arabic from their audio recordings. Secondly, the researcher listened again to the tapes and reviewed the transcriptions to ensure that they were identical to what had been said by

each participants during the interviews. Thirdly, the researcher contacted some of the participants to review the transcripts with them again (to double-check their opinions regarding some questions).

The transcripts were not translated into English for a number of reasons. First, the number and content of the transcripts was relatively large (43); if translated this would consume much time and pass through complicated procedures (the researcher did not get any help during the interviews with the participants, and in the transcription of the interviews, this was all done by the researcher's own efforts). Secondly, due to the large number of transcripts, and applying open-ended questions which lead to obtaining rich data, the researcher's belief was that translation of the transcripts would not fully convey the words and meanings accurately, and there could be a percentage of mis-translated transcripts. Therefore, the decision to not translate the transcripts was fully considered.

After preparing the data and transferring it into text transcripts, the researcher coded the transcribed data by using computer support for qualitative content analysis. According to Hsieh and Shannon (2005) and Zhang and Wildemuth (2009) qualitative content analysis is usually supported by computer programs, such as NVivo1 or ATLAS.ti. The present research used ATLAS.ti 7 for analysing this data.

#### ***4.4.3.1 Computer-Aided Qualitative Data Analysis Software - CAQDAS ATLAS.ti.***

According to Zhang and Wildemuth (2009) CAQDAS could help, “*researchers in organizing, managing, and coding qualitative data in a more efficient manner*”. Moreover, Rodik and Primorac (2015) argue that the data will be better displayed and accessed through CAQDAS, the coding process can be easier to handle, more so than a manual coding process, and the work of analysis could obtain a professional outlook. Furthermore, a computer-aided program can support the researcher, when the text data are relatively large and it can be



difficult to handle with a manual coding process, as is the case in this research. However, CAQDAS cannot do the “*coding process work*” for the researcher; but it can help in organising the codes or themes, tracking similar codes, and searching the transcripts. In addition, “*qualitative data analysis software incorporates a visual presentation module that allows researchers to see the relationships between categories more vividly*” (Zhang & Wildemuth, 2009, p.6), as this study applied CCA, which helps in developing a tree diagram for the relationship between the codes and themes (Morse & Field, 1995). Finally, Friese assures that,

*a carefully conducted, computer-assisted qualitative data analysis also increases the validity of research results, especially at the conceptual stage of an analysis. When using manual methods, it is easy to ‘forget’ the raw data behind the concepts as it is quite laborious to get back into the data. In a software-supported analysis, the raw data are only a few mouse clicks away and it is much easier to remind yourself about the data and to verify or falsify your developing theoretical thoughts.*

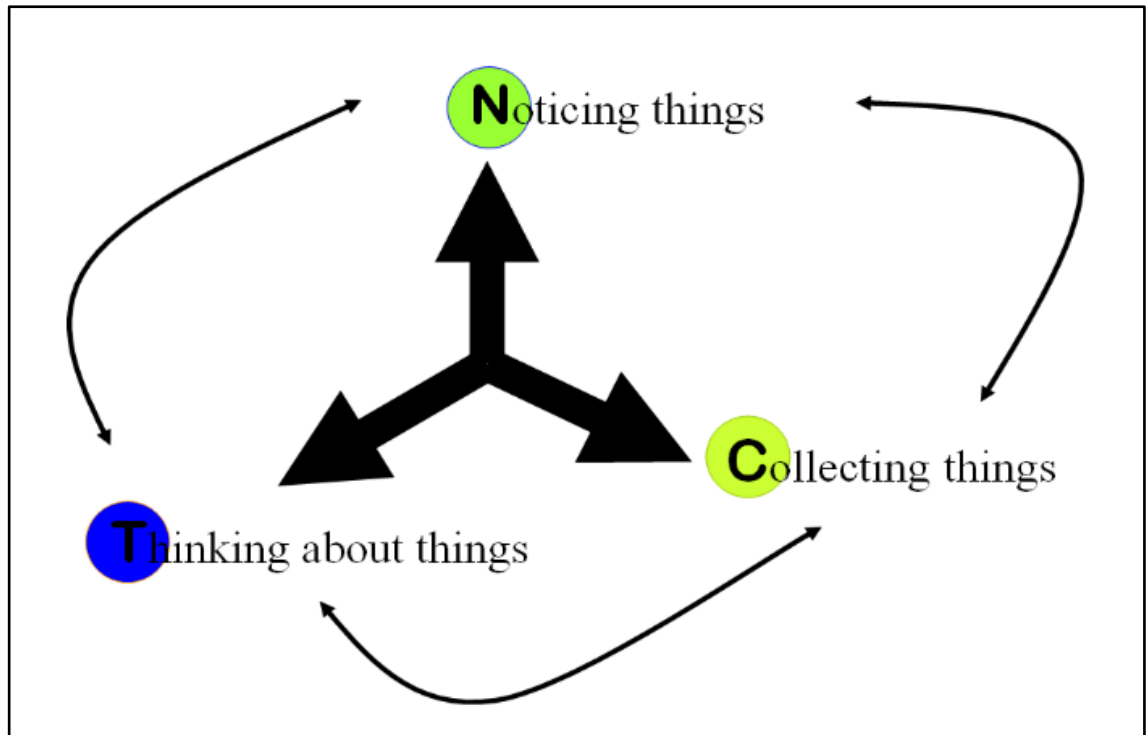
(Friese, 2014, p.1)

On the other hand, some researchers warn about some disadvantages and caveats of using the computer-aided program in qualitative data analysis. They argue that unexpected breakdowns of computers could affect the use and application of the program, in addition to the misperceptions by some researchers that the program will analyse the data for the researcher (Davis & Meyer, 2009). In an attempt to avoid these obstacles, researchers attend training courses, video tutorials, and obtain the original software book in order to construct sufficient background and knowledge about the software's functionality. However, this researcher found that obtaining the knowledge and experience about how to apply the program consumed more time than expected, as the number of offered training courses were very limited. This could be one of the limitation of this data analysis procedure.

ATLAS.ti. is the chosen program for applying CAQDAS in this study. There were a number of reasons for considering using this software in the present study. Firstly, it is the only program, so far, that accepts to analyse Arabic text transcripts. Secondly, Friesen (2014), who developed this software, suggests a method called Noticing-Collecting-Thinking (NCT) which is consistent with ATLAS.ti., and suggests a mix of coding processes between inductive and deductive, which is similar to the process of the abductive strategy. Further, the functionality of the software generates the 'tree diagram' (map viewing) for the codes and themes which facilitates creating the relationship between the codes and themes. This feature could help to include large numbers of sub-codes under a smaller number of categories. Finally, this study is one of the first to use ATLAS.ti to investigate the expectation gap in accounting education research.

#### ***4.4.3.2 NCT- a method for CAQDAS***

The NCT method can be considered as a method to manage data in a computer environment and to prepare them for analysis and interpretation. It can also be considered as an initial phase for other analysis methods. In other words, the NCT method helps in preparing the data, through the software, for the analysis approach, which in this study is CCA. Seidel (1998) first invented this method (See Figure 4.3) and it was then developed by Friesen (2014).



**Figure 4.3: The NCT Model of QDA Adapted from Seidel (1998)- Source: (Friese 2014, p.15)**

Friese (2014) argues that what distinguishes this method from others is that the process of analysis in the NCT, as displayed in (Figure 4.3), works in a linear movement. The process starts firstly with ‘N’ noticing the interesting things in the transcripts’ data, then ‘C’ collecting these interesting concepts, and then ‘T’ thinking about these collected things. The process returns again in a circular (sequential) process until the researcher comes up with an ‘insightful result’. However, in other methods which also include the NCT process the researcher moves back and forth between the NCT processes and not in linear movement. The NCT approach does not limit the type of coding process that researchers tend to use, such as descriptive coding, process coding, open coding, and emotion coding, however it is more in line with open coding process phases.

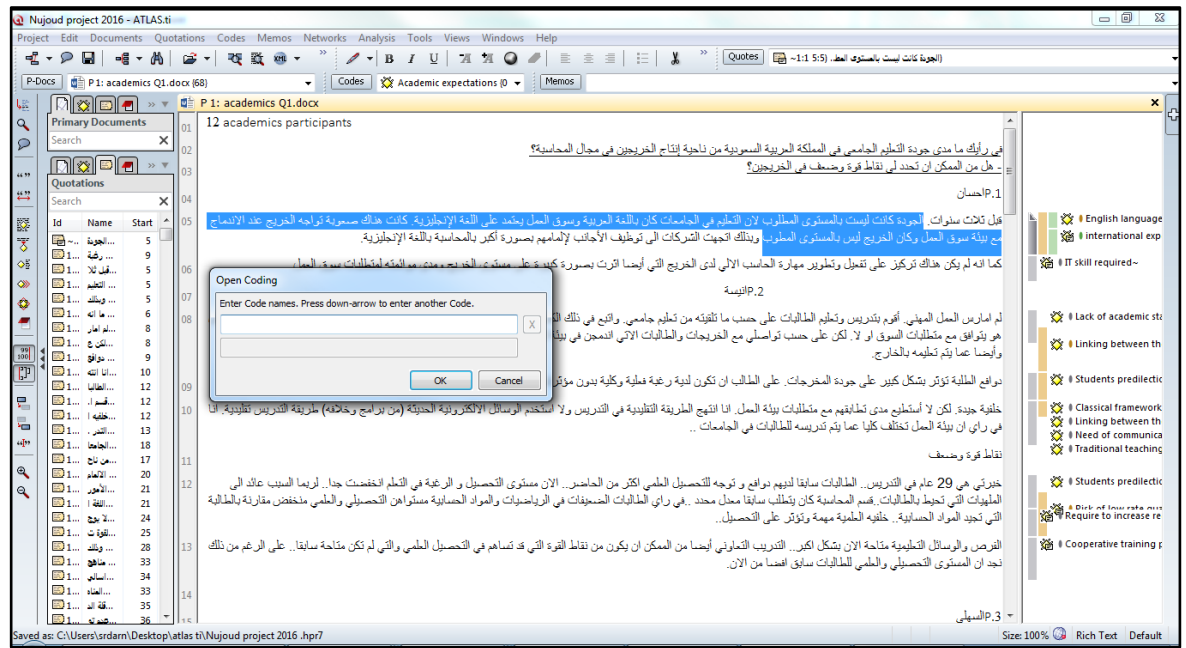
The steps to the open coding process include conceptualizing, discovering, naming and categorizing the phenomena according to their properties and dimensions. Some researchers (e.g., Collis & Hussey, 2009; Khandkar, 2009; Creswell, 2013, 2014; Gallicano, 2013)

named the NCT process stages as open coding stage (N), axial coding stage (C) and, selective coding stage (T).

#### 1- Noticing things

The first step, Noticing things, points to the procedure of searching the transcripts in order to find the interesting things that are related to the main study phenomena (Frieze, 2014), which is similar to some extent to the open coding phase. It is more like a free boundary procedure that depends on the researcher noticing interesting concepts in their transcripts.

Some researchers, when working on this stage, adopt an inductive or deductive strategy. However, the present study applied the abductive strategy in this process. The researcher went through the transcripts and started coding the data that are related to the research questions, literature, and research phenomena and looked for new and interesting things. For example, in the academic group's transcripts the group of questions that investigated the quality of university education (see Appendix 1) produced data that concerned the effectiveness of accounting academic staff (see Table 5.1 Results Chapter 5), the theme included core codes such as: '*Assessment of academic qualifications*', '*Impact of motivation on academic staff performance*', and '*Academic expectations*'. The effectiveness of academic staff was a new theme generated from the data. In this stage the codes do not illustrate a lot, since they do not yet have a relationship with other codes or themes. Researchers at this stage tend to name these as Quotations (text in transcripts) in ATLAS.ti. The generated codes at this stage numbered 288. Figure 4.4 below, displays the inference page for the software.



**Figure 4.4: Hermeneutic Unit/ ATLAS.ti Workspace - Open Coding Phase**

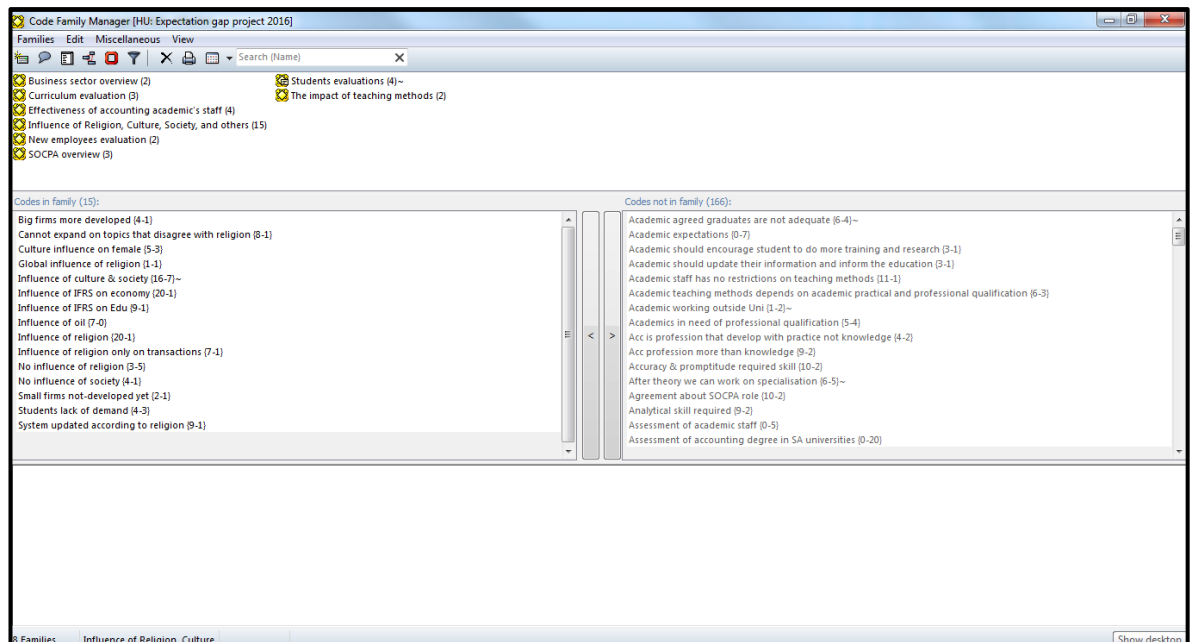
From the right hand, in the first section of the page, the user can manage the primary documents' movement, codes, quotations, and memos. The section in the middle displays the 'Rich text' the transcripts that users import to the program. The final section displays the code managers. This section illustrates the code's connection to the quotations. Sometime, the one sentence/ quotation can be associated with more than one code or theme. So, in the first stage 'Noticing', the researcher can go through the transcripts and approach the free coding process.

## 2- Collecting things

In the second stage, the Collecting, the researcher starts to notice the relationship between codes or quotations. Some codes can merge into one code, some codes can be renamed again and other groups of codes can fall under one core code. Strauss and Corbin (1998) consider this stage, "As the researcher moves along with analysis, each incident in the data is compared with other incidents for similarities and differences. Incidents found to be conceptually similar are grouped together under a higher-level descriptive concept" (p.73).

In the present study, the researcher started to assign groups of sharing target sub-codes under one core code. In other words, the one core code included more than one sub-code in some cases. For example, the core code *'Assessment of the teaching method in universities course'* included about 11 sub-codes. Then each group of similar objective core codes were included under one family group. This study included about eight family groups, also referred to as themes, see **Figure 4.5**

**Figure 4.5.**



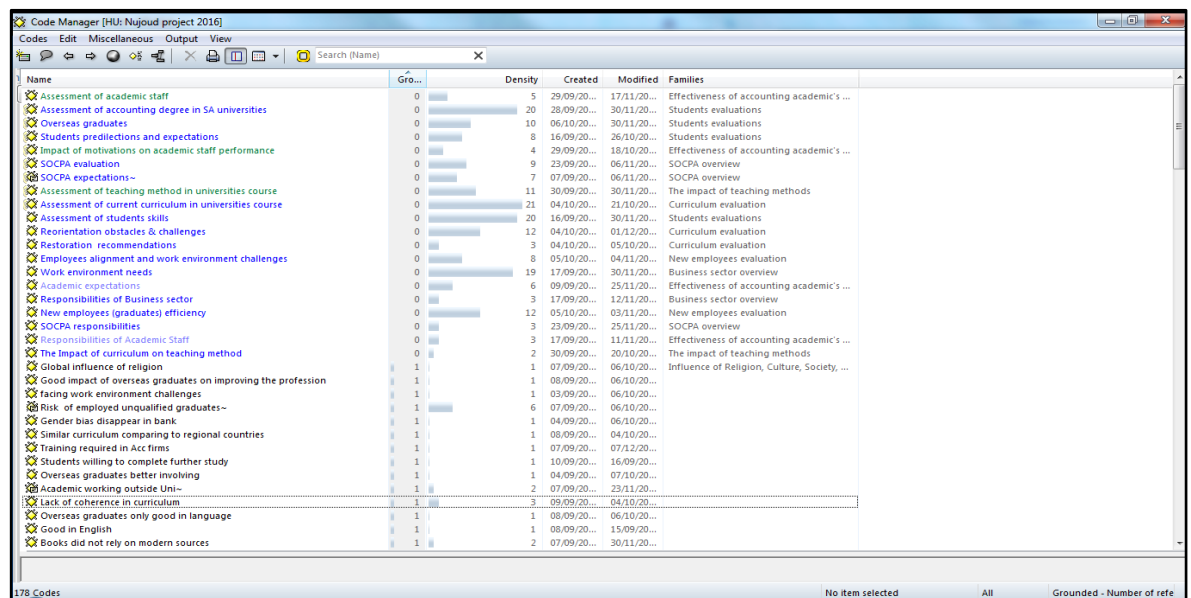
**Figure 4.5: Family Manager**

The study analysed the results according to themes. Each theme included groups of core codes, and each core code combined some sub-codes.

Figure 4.6 below displays the code manager which consists of six columns. The first column displays the group of associated core codes and sub-codes, the first 20 in the list are the core codes, the following are the sub-codes. The second column title is 'grounded', it indicates how many times that sub-codes are used in the transcripts. All core codes are grounded as

'0' because they are not associated with any quotations in the transcripts. The grounded column for the sub-codes shows how many times this code is used in the transcripts, or how many times it shows in the transcripts. The sub-code '*Lack of training*' was mentioned about 56 times, which is the highest. The tables, in the results chapter, illustrate how many times sub-codes are mentioned by each group of participants.

The column title 'Density' indicates the association of the core codes, or sub-codes, to the others; that is, how many relationships this code has with others. Some codes only have one, and some have more than one. The core code '*Assessment of students' skills*' had about 21 relationships with other core codes or sub-codes. Relationships can be displayed in the network view feature. The following columns illustrate the date, the time that codes were created and modified, and the final one shows to which theme this code is related.



Name	Gro...	Density	Created	Modified	Families
Assessment of academic staff	0	5	29/09/20...	17/11/20...	Effectiveness of accounting academic's ...
Assessment of accounting degree in SA universities	0	20	28/09/20...	30/11/20...	Students evaluations
Overseas graduates	0	10	06/10/20...	30/11/20...	Students evaluations
Students predilections and expectations	0	8	16/09/20...	26/10/20...	Students evaluations
Impact of motivations on academic staff performance	0	4	29/09/20...	18/10/20...	Effectiveness of accounting academic's ...
SOCPA evaluation	0	9	23/09/20...	06/11/20...	SOCPA overview
SOCPA expectations	0	7	07/09/20...	06/11/20...	SOCPA overview
Assessment of teaching method in universities course	0	11	30/09/20...	30/11/20...	The impact of teaching methods
Assessment of current curriculum in universities course	0	21	04/10/20...	21/10/20...	Curriculum evaluation
Assessment of students skills	0	20	16/09/20...	30/11/20...	Students evaluations
Reorientation obstacles & challenges	0	12	04/10/20...	01/12/20...	Curriculum evaluation
Restoration recommendations	0	3	04/10/20...	05/10/20...	Curriculum evaluation
Employees alignment and work environment challenges	0	8	05/10/20...	04/11/20...	New employees evaluation
Work environment needs	0	19	17/09/20...	30/11/20...	Business sector overview
Academic expectations	0	6	09/09/20...	25/11/20...	Effectiveness of accounting academic's ...
Responsibilities of Business sector	0	3	17/09/20...	12/11/20...	Business sector overview
New employees (graduates) efficiency	0	12	05/10/20...	03/11/20...	New employees evaluation
SOCPA responsibilities	0	3	23/09/20...	25/11/20...	SOCPA overview
Responsibilities of Academic Staff	0	3	17/09/20...	11/11/20...	Effectiveness of accounting academic's ...
The Impact of curriculum on teaching method	0	2	30/09/20...	20/10/20...	The impact of teaching methods
Global influence of religion	1	1	07/09/20...	06/10/20...	Influence of Religion, Culture, Society, ...
Good impact of overseas graduates on improving the profession	1	1	08/09/20...	06/10/20...	
facing work environment challenges	1	1	03/09/20...	06/10/20...	
Risk of employed unqualified graduates	1	6	07/09/20...	06/10/20...	
Gender bias disappear in bank	1	1	04/09/20...	06/10/20...	
Similar curriculum comparing to regional countries	1	1	08/09/20...	04/10/20...	
Training required in Acc firms	1	1	07/09/20...	07/12/20...	
Students willing to complete further study	1	1	10/09/20...	16/09/20...	
Overseas graduates better involving	1	1	04/09/20...	07/10/20...	
Academic working outside Uni-	1	2	07/09/20...	23/11/20...	
Lack of coherence in curriculum	1	3	09/09/20...	04/10/20...	
Overseas graduates only good in language	1	1	08/09/20...	06/10/20...	
Good in English	1	1	08/09/20...	15/09/20...	
Books did not rely on modern sources	1	2	07/09/20...	30/11/20...	

**Figure 4.6: Codes Manager**

After assigning each sub-code, core code to a specific family, the network view feature illustrated the nature of the relationship between the sub-codes, core codes. Some codes are in associated relationships with others i.e. equal relationship, while other can be part of some

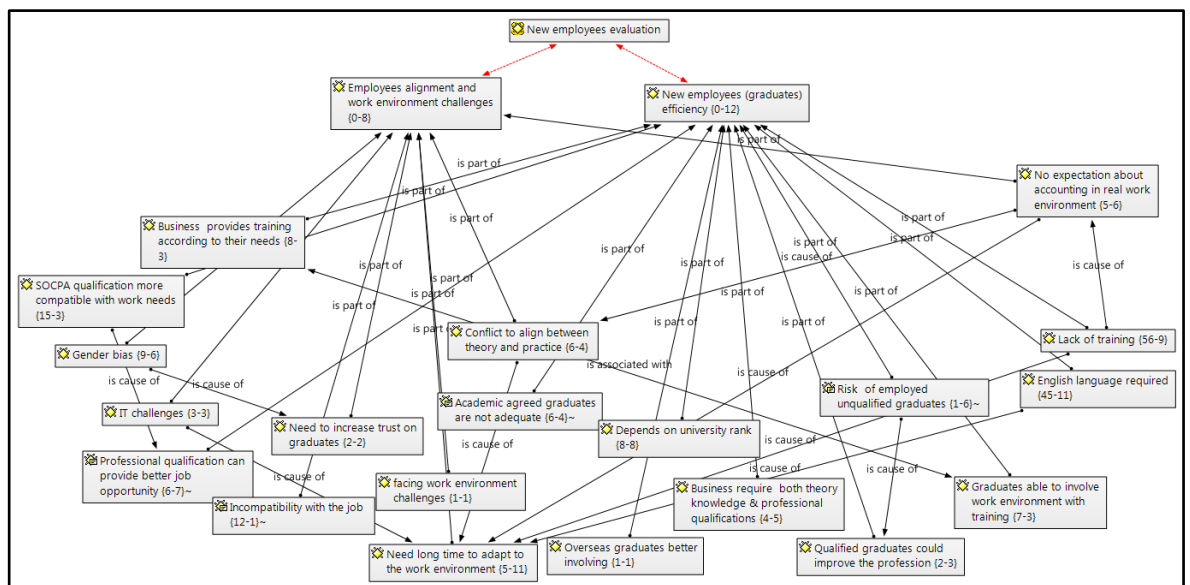
core codes and some can have cause and effect relationships. This tree diagram or map viewing supports the conventional content analysis method, which will be illustrated in detail and example in the next stage.

### 3- Thinking about things

This stage is more about finalising the shape of the data. It is about developing the themes and categories for the data in order to prepare them for analysis. The use of ATLAS.ti. in this stage, supports the visibility of the data for the final analysis stage (Konopaske, 2007).

The network view feature in ATLAS.ti. displays a hierarchy diagram for the codes relationships, starting from the main theme category (core code) until reaching the sub-code.

Figure 4.7 shows an example of New Employees evaluation theme.



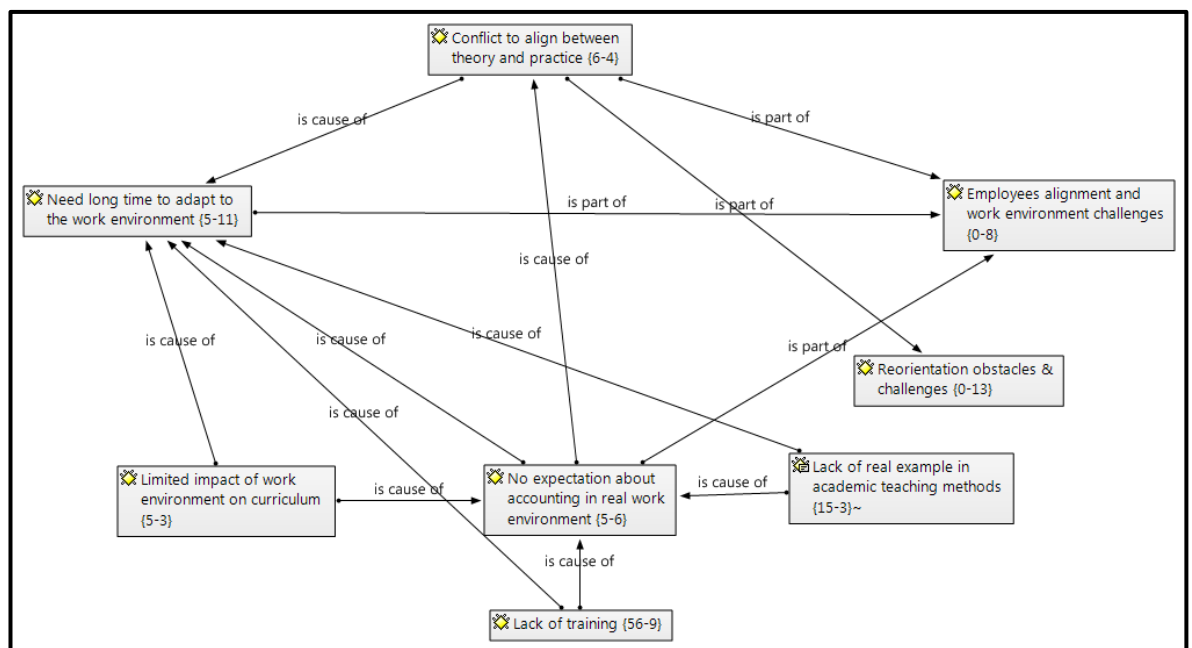
**Figure 4.7: New Employees Network View**

The figure shows that the theme New Employees Evaluation consisted of two categories/core codes: 'New employees efficiency' and 'Employees alignment and work environment challenges'. Each category consisted of sub-codes/sub-categories. Some codes have relationship with other codes from the same theme and category or with another theme and category. In other words, the codes are mentioned more than once and fall under more



than one category. For example, the sub-code '*Conflict to align between theory and practice*' is the cause of the '*Need long time to adapt to the work environment*'. See Results Chapter for more codes under this theme.

When analysing these two codes according to CCA, it showed the evaluation of new/ fresh employees in terms of their alignment with the needs of the business environment. The results indicated that some employees were taking a long time until they adapted to the workplace, the reason being was that they were facing conflict in aligning the theory they had learned in the university with the practice needed in the workplace environment. If we expand the code conflict to align between theory and practice we find that this conflict of alignment is caused by another factor, see Figure 4.8.



**Figure 4.8: Conflict to Align Between Theory and Practice**

From the figure it shows that the code '*No expectation about accounting in real work environment*' is the reason for the conflict, as some participants indicated. Furthermore, the code '*No expectation about accounting in real work environment*' indicated the factors that

cause it, such as lack of training, lack of real examples, and the limited impact of the work environment on the university curriculum, which in turn causes the gap between learning and practice. (The Results Chapter illustrates the relationship in detail, with an example of the participants' quotations). The researcher listed the sub-codes in a table that is associated with themes and core codes to facilitate the relationship explanation between the codes.

The open coding process started with about 288 codes which the researcher reduced to about 181 codes. Last, but not least, the researcher's continuous discussion and debate with supervisors and colleagues, throughout the whole data analysis and data collection process, became an important contribution towards a better understanding of the study phenomena.

#### **4.5 Validity and Reliability**

According to Anderson (2010) validity relates to the honesty and genuineness of the research data, while reliability relates to reproducibility and consistency of the research data.

The main problem that has faced qualitative methods in accounting research is assuring the validity and the quality of the research. Researchers such as Gergen and Gergen (2000) and Smith and Deemer (2000) claim that interpretive research suffers from a "*crisis of validity*". Additionally, they argue that interpretive research could not be validated with typical methods, and there is still no clear idea as to how it should be validated. On the other hand, Lukka and Modell (2010) argue that interpretive research could gain its strength and validity, if researchers add more effort in the explanation of "*notion and optional problem*" of validation in their research, "*and how it may be extended in the light of recent debates*" (Lukka & Modell, 2010). They applied their thoughts in management accounting research; starting by exploring the current meaning of interpretive research (IR) in management accounting, and how it is employed within the context. Moreover, they tend to identify validity as a concept that can be "*inter-subjectively*" discussed in specific research

environments. In order to overcome the “*crises of validation*” in interpretive research, and provide thick explanation, Lukka & Modell (2010) bring together the essential key of “*modern philosophical theory of explanation and the notion of abduction*,” based on a “*pragmatist epistemology*” They argue that abduction may have a role in IR research as a “*means of stimulating research*” reflexivity in their striving to “*make sense of empirical observations*”. Although, abduction reasoning suffers from the “*logical fallacy of affirming the consequence*” which makes it difficult to assure that whether some “*theoretical postulates*” have a better value explanation than others do. Lukka and Modell (2010) believe that, “*modern philosophical theory of explanation*” can be mobilised with abduction reasoning to reject “*at least some theoretically informed explanations*”. Thereby it can provide solid and valid explanation as much as possible in IR research. Lukka and Modell (2010) promoted other researchers, such as Lämsiluoto et al., (2013), to take steps to applying their beliefs in recovering management accounting research from the “*crisis of validity*”.

The researcher validated the present study by following some processes and steps:

➤ In terms of the theoretical methodology framework

Some argue that different methodological approaches are based on specific philosophical assumptions; studies should maintain consistency between the philosophical starting point and the methods adopted, since maintaining consistency is one way of producing more valid data (Morse et al., 2001). Lukka and Modell (2010) maintained the quality and the validity of their study by inventing a methodological framework (consisting of abductive and pragmatic assumptions) to increase the validity and quality. The current study adopted abductive strategy with social constructivism assumptions. The consistency of this study's methodology was driven by the following points:

Firstly, it is within an interpretivist study paradigm using an abductive strategy which is compatible with IR research. Secondly, social constructivism is the preferred approach with an inductive strategy, however the abductive strategy combines both inductive and deductive strategies. Therefore, the researcher's belief is that social constructivism could be approached with an abductive strategy. Moreover, Blaikie (2010) recommends *constructivism* and *idealist* or *subtle realist* epistemological and ontological assumptions as approaches which confirms the suitability of social constructivism approach with an abductive strategy. This study used an interpretive research methodology with both research strategy (abductive) and social assumption most likely to be used within an interpretivist study.

➤ In terms of the analysis aid method

Friese (2014) affirms that carefully conducted CAQDAS, such as ATLAS.ti., make it possible to enhance the validity and the quality of the research results, especially at the conceptual stage of analysis. When using manual methods, it is easy to “*forget*” the raw data behind the concepts, as it is quite laborious to get back into the data. In software-supported analysis, the raw data are only a few mouse clicks away and it is much easier to remind yourself about the data and to verify, or falsify, your developing theoretical thoughts.

➤ In terms of the interview questions

Researchers tend to pilot some of the interview questions. Sets of questions were introduced to two groups of people: the first group were accounting academics and the second group were academics from different disciplines of social sciences. Questions were discussed with them and some of their views and perceptions were considered, especially in the area of university accounting education in SA. Some of the questions were developed according to their suggestions. Also, some of them undertook informal interviews, in order to test the validity of the questions.

➤ In terms of data reliability

In qualitative research, the way to approach accuracy is distinguished from one study to another. Many researchers (e.g. Lincoln & Guba, 1985; Creswell & Miller, 2000; Patton, 2002; Creswell, 2003) have highlighted the issue of credibility in qualitative studies. The researcher checked the reliability of the research findings by employing a combination of multiple validity strategies: member checking; spending prolonged time in the field, using peer debriefing and triangulation.

Member checking or intercoder reliability use in order to avoid errors when applying codes to data (Bernard, 1995). According to Kurasaki (2000), intercoder is defined as “*a measure of agreement between multiple coders about how to apply codes to the data*” (p. 179). Intercoder is one of the approaches to validate and increase the reliability of qualitative research results, where the coder (researcher) can review with other colleagues about coding process, codes and analysis, even if they are not from the same field of study (Saldaña, 2009). In this study, the researcher reviewed, with colleagues who applied qualitative methods in their research, the classification of data. The researcher's first coding of the data (open coding process) was at the same time that colleagues started coding. Then initial obtained codes were discussed with the other coders so as to find possible better connections between categories, before agreement of final classification of the themes. This agreement about codes and categories worked to enhance the research's reliability and validity.

The researcher also spent time in this field and was able to form an image that could confirm some of the information derived from interviews (she was an accounting student who graduated from a SA University and a researcher (Master's project, 2010 as a pilot study).

Moreover, the researcher discussed, with her peers in the same field, about reviewing the reliability of the extracted information from the interviews.

In this study, triangulation was obtained by using three source: interviews, recordings and observation. According to Goldasfhani (2003) “*Engaging multiple methods, such as observation, interviews and recordings, will lead to more valid, reliable and diverse construction of realities*” (p. 604). The researcher obtained the first source from the interviews, which was the primary data of this study, then the recordings of these interviews promoted the confirmation of the obtained information from the interviewees. In addition, the researcher re-contacted the participants on two occasions; first to re-check the information and the answers of some questions, and the second time when starting coding and establishing themes, researcher re-contacted some of the participants to confirm the established codes. In terms of observation, some interviews were conducted in the participants’ workplace, so the researcher was able to build an idea regarding the participants' perspectives and surrounding environments.

According to Creswell (2009), other validity approaches could be adopted in order to promote qualitative research validity. The researcher should specify clearly the research questions, aims and research plan, document each phase of the study, checking the transcripts accuracy, and checking the codes by comparing them with the obtained results. In this study, the interviews were transcribed and extracted information was re-checked for accuracy. In addition, some interview transcripts were given back to their participants who re-checked the accuracy of the extracted information. The pilot study (Master's project) allowed for the construction of appropriate questions prior to the implementation of the study, which ensured the validity of the questions and the flow of the interviews.

➤ In terms of ethical validity

The researcher, before conducting the interviews, firstly obtained the approval of the ethics committee at the University of Portsmouth. The committee reviewed the interview questions and participant consent sheet. Moreover, the researcher obtained two written approval letters from two organizations (See Appendix 2) to conduct the interviews, other approval was obtain orally, through contacting the participants directly.

#### **4.6 Limitations and conclusion**

Although there are some advantages in approaching qualitative methods, some limitations need to be taken into account. Researcher stance (bias) is one of these limitations which arises from the interaction between the interviewer and the interviewee. According to Blaikie (2010), it is important that social researchers underline the research position towards the research process and participants. In 2007, he suggested three basic positions researchers can adopt: “*outside expert, inside learner and reflective partner or conscientizer*” (Blaikie, (2007, p.12). Later on Blaikie (2010) underlined another six-research positions: “*Detached observer, Empathetic observer, Faithful reporter, Mediator of languages, Reflective partner, and Dialogic facilitator*” (p.50). For example, the researcher, as detached observer, is advised not to be involved in the process of data collection, since the researcher could influence the research position by his/her values or preferences hence affecting the research reliability. The researcher, as empathetic observer, is advised that it is important for the researcher to be able to place themselves in the participant's position, and still aim to achieve research objectivity. The researcher as faithful reporter is advised to be less detached, aiming to report the way of life through the research participants. In other words, allowing the interviewees to speak and express themselves in regard to the research objectives. The researcher's mission in this case is to

present the participants' prospective. This researcher adopted the role of faithful reporter in terms of the researcher's stance. Some scholars (e.g. David, 1969; Douglas 1971; Guba 1978) referred to this position as "naturalism". According to Blaikie (2010), the researcher is advised to investigate deeply the social phenomena in a neutral position in order to obtain the participants' perspectives and is required to protect the integrity of the phenomena at the same time. Schutz (1963) is the first who presented this position. He stated that,

*"Each term in such a scientific model of human action must be constructed in such a way that a human act performed within the real world by an individual actor as indicated by the typical construct would be understandable to the actor himself as well as to his fellow-men in terms of common-sense interpretation of everyday life"* (Schutz, 1963, p.343).

The reason for adopting the role of faithful reporter in this study, was that the researcher intended to investigate the gap in accounting education phenomena within its environment (SA) through an interpretivists paradigm, which requires that the understanding of the phenomena should be obtained through human and social interaction (Chen & Hirschheim, 2004). The researcher sought to dive into the depth of the phenomenon by applying qualitative research instruments, the interviews. From this point, the researcher took a neutral stance (faithful reporter) when exploring the phenomenon, in order to increase the credibility of the information obtained from the research participants in the five different groups (academics, students, employees, business sector and the SOCPA G.S.). The researcher sought to be faithful and retain the authenticity of the study by blocking all prior knowledge, positions, values, and preferences regarding the study problems, when asking the interview questions. She attempted to reduce bias by avoiding asking leading questions which could direct the interviewees to answer them to please the interviewer -researcher (Gray, 2004). The researcher believes in the neutral stance therefore, she allowed the participants to talk about their experiences from their own perspectives and in their own



words. One of the semi-structured interviews limitation is reliability, since it is difficult in flexible methods, such as semi-structured interviews, to ask different interviewees the same question in the same sequence (Gray, 2004). Therefore, the researcher prepared general questions to ensure that all topics were covered, with all participants.

Another limitation faced by researchers when conducting qualitative research, especially in field of accounting, is the negotiation of access to organizations for interview and observation purposes. Obtaining specific skills, such as subtlety with a bit of luck is required in this situation. This difficulty in accessing organizations, stems from staff within the organization feeling that they should protect their work from external access. They have an idea that any external access could disturb their work, time and social relationships, therefore in order to avoid this obstacle and ensure that the researcher obtains their required data, some researchers provide some hints. For example, Humphrey and Lee (2008) claim that avoiding “*binary*” understanding of access is the key to learning about organizational features. In addition, setting an initial interview with a member of the organization, who has an interest in the particular topic, could promote other members to accept the request. Conducting a successful initial interview could also encourage others and furthermore encourage them to exchanging others' contact details with the researcher. In the context of this current research this facilitated the snowball sampling approach. If the researcher is spending some time in the fieldwork, he or she becomes known to other members, which makes accessibility to the organization more flexible

## Chapter 5: The Results

### 5.1 Introduction

This chapter presents the results of the analysed data. A series of semi-structured open ended interviews were conducted with accounting *academics* (coded A), final year accounting *students* (coded S), fresh *employees* (coded E), *business* employers (coded B), and the *professional* body [SOCPA] (coded P) (See Chapter 4, section 4.4.2.1.2 Sample description – Table: 4:3, 4:4, 4:5, 4:6).

The perspectives of each group were compared regarding the effectiveness of the accounting education system in SA to produce accountants who meet the requirements of the workplace. Moreover, to explore the existence of the gap between learning and practice. Eight themes emerged from the interview data when CCA was applied. Each theme produced core category codes, and each core category consisted of sub-category codes. The total number of core category codes was (20) and the total number of sub-category codes was (158), since the content analysis works on the relationship between the codes. Depending on the relationships between subcategories, researchers can combine or organize this larger number of subcategories into a smaller number of categories (Hsieh & Shannon, 2005). Some of the sub codes included under more than one category. This is in order to illustrate the relationships between the codes and to each other in different themes and categories. Some of these relationships can be: cause and effect relationships, part of relationships, and association relationships. The codes are included in tables with each of the eight themes inserted in a table with its group of core codes/ categories, and each core code inserted in a table as well with its combination of sub-category codes. The

columns A, B, E, S, and P indicate the name of each interviewed group. A (academic), B (business employers), E (employees), S (students), and P (professional body SOCPA). The figures shown in the tables indicate the frequency of sub-code mentioned in each of the participant groups. Figures of network views are included under each theme and under some of the categories. The network view was developed to help in organizing these categories into a hierarchical structure and to display the relationships between the core codes and sub-codes. All network views were developed using ATLAS.ti 7 software. The first number in brackets describes the code frequency and the second number shows the frequency of the code in relation to others. According to Zhang, and Wildemuth (2009) ATLAS.ti software is used to support the coding process. It allows the researcher to code the data, retrieve text based on keywords, rename or merge existing codes without perturbing the rest of the codes, and generate visualization of emergent codes and their relationships to one another. ATLAS.ti also maintains automatic logs of coding changes, which makes it possible to keep track of the evolution of the analysis.

### **Theme one: Effectiveness of accounting academic staff**

Table 5.1, describes the first theme “effectiveness of accounting academic staff” in seven Saudi universities King Abdul-Aziz University, King Saud University, King Fahd University for Petroleum and Minerals, Taif University, Tabuk University, Princess Nora bint Abdul Rahman University, and Effat University. This theme divided into four core categories, coded as: *assessment of academic qualification; impact of motivation on academic staff performance; responsibilities of academic staff; academic expectations*. Each core code divided into sub-codes.

<b>Theme 1: Effectiveness of accounting academic staff</b>
<i>1.1 Assessment of academic qualifications</i>
<i>1.2 Impact of motivation on academic staff performance</i>
<i>1.3 Responsibilities of academic staff</i>
<i>1.4 Academic expectations</i>

**Table 5.1: Effectiveness of Accounting Academic Staff**

The Figure 5.1 illustrates the network view of this theme, showing that each core category consists of a number of sub-category codes. The core categories were grouped and fell under this theme, according to their relationship to the theme. To understand the effectiveness of academic staff, assessment of the components of this item could provide an evaluation of their effectiveness. From the interview data, it appears that the effectiveness of academic staff is influenced by their motivation. The study listed some tasks that should locate on the responsibilities of academic staff to improve their qualifications and performance. Finally, academic expectations show what academics expect from other groups involved in this research, in order to enhance the universities' outcomes. Each core category, for the first theme, and associated codes are presented and discussed in the following sections.

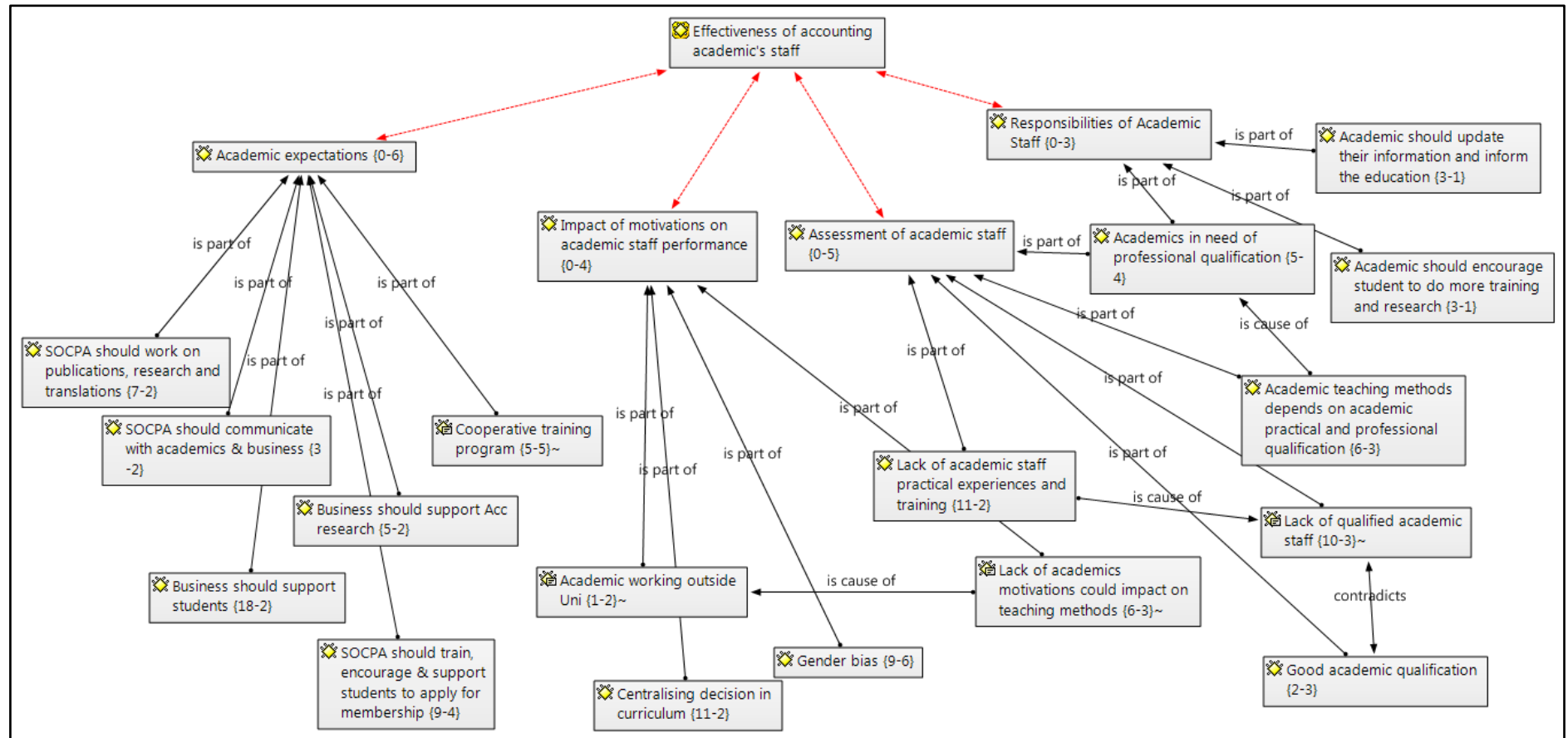


Figure 5.1: Effectiveness of Academic Staff

### 1.1 Assessment of academic qualifications

There are five codes that fall under this category, as identified in Table 5.2. First of all, most participants acknowledged that there is a scarcity in the number of qualified academics in Saudi universities. The lack of qualified Saudi academics reaches the extent that some universities pay an additional allowance to academic staff (called a scarcity allowance) for some disciplines in the universities, including accounting subjects.

<u>Sub codes</u>	<u>A</u>	<u>B</u>	<u>E</u>	<u>P</u>	<u>S</u>	<u>Total</u>
1. Lack of qualified academic staff	5	1	3	1	0	10
2. Lack of academic staff's practical experiences and training	8	2	0	1	0	11
3. Academic teaching methods depend on academic practical and professional qualifications	5	0	0	1	0	6
4. Academic in need of professional qualification	2	0	1	2	0	5
5. Good academic qualifications	2	0	0	0	0	2

**Table 5.2: Assessment of Academic Qualifications**

The evidence that lead to the code, lack of qualified academic staff in SA, is driven from some of the participants' statements. For example, one academic participant mentioned that universities in SA are keen to cover this shortage in order to meet the increased demand for accounting courses. They tend to cover it by inviting academic staff from other countries in the region:

*“There is a dearth of qualified academic staff, which drives Saudi universities to invite foreign qualified academic staff to cover the shortage, and pay the scarcity allowance for the current staff”. (Academic P.7)*

Another attempt was by employing teacher assistant and letting them teach like the lecturers.

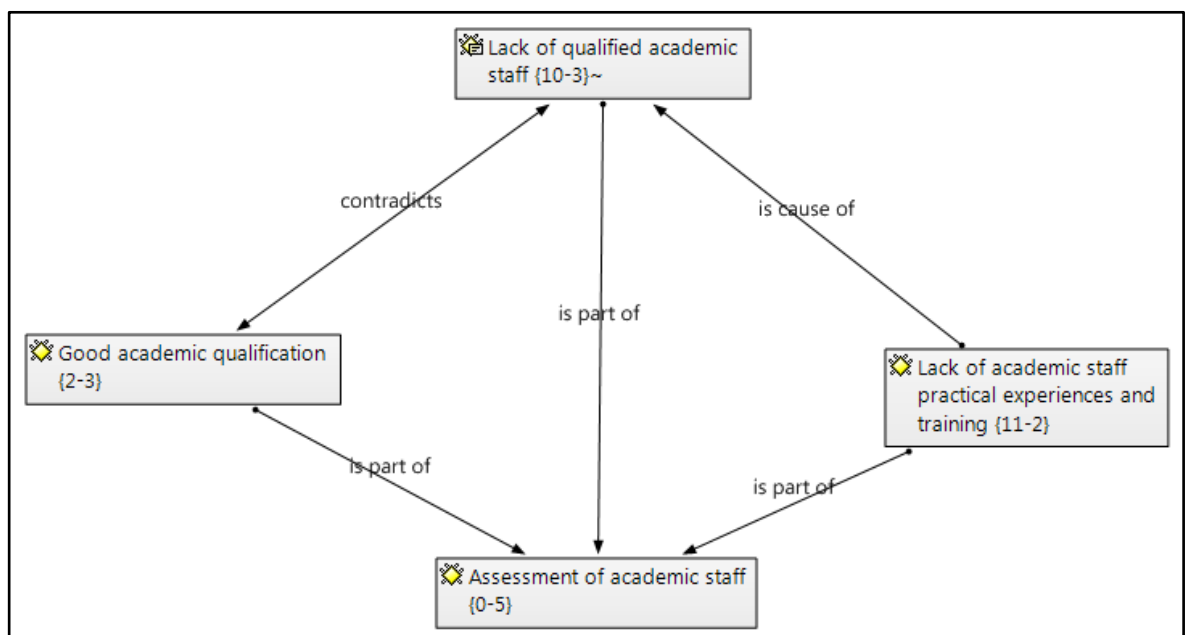
Academic participant showed objections regarding allowing non-qualified academics to teach students because:

*“regarding academic qualifications, I think it is a weakness that the lecturer or teacher's assistant teaches the subject as any doctor or professor, since they will not be qualified enough like the lecturers”. (Academic P.12)*

Some participants attributed the delay in the development of the accounting system in SA to:

*“... the lack of highly qualified professionals to teach” (Academic P.9)*

Some participants agreed that the lack of academic experience is one of the causes for lack of academic qualifications. Their beliefs are that, if academics have professional and practical experience then they could have sufficient qualification see Figure 5.2.



**Figure 5.2: Lack of Qualified Academic Staff**

A participant from the business sector stressed the importance of focusing on the preparation of academics, which:

*“Should increase the efficiency of academic staff by holding training courses for them in teaching methods ... . We have a shortage of qualified academic competencies ...”. (Business P.1)*

From the new employees' point of view, one of them believed that one of the reasons for the existence of a gap between learning and practice in business studies is:

*“The first problem that may be the reason for the existence of this gap is the lack of leading specialists in the study of economics and financial accounting in Saudi universities ...”. (Employee P.6)*

Not only did the above groups identify a lack of qualified academics, but also the professional representative stressed the need for qualified academics to ensure the graduates' quality level:

*“From my point of view a good qualification for academic staff, professionally and academically, is crucial to raise the quality of the graduate level. We suffer in Saudi universities from a lack of qualified academic expertise in the field of accounting” (Profession P.1)*

All the previous points raised from the interview data indicate the lack of availability of qualified academics in the area of accounting. Some pointed to the topic directly, and others claimed that the lack of qualified academics has caused some problems that have affected the educational system and its outputs (graduates). It is clear that the accounting profession in SA is facing a problem regarding lack of qualified academics in accounting, who have



sufficient experience in teaching accounting subjects. Added to this, is the inability of some accounting curricula and methods, used in the development of graduates, to enable them to be qualified to work in various financial and accounting positions and according to the latest developments in the work environment.

In regard to the practical and professional experience of academic staff, some academic and business participants and the professional representative admitted that most accounting academics do not have work experience in the field of accounting. Most of them completed their academic study and turned to the teaching field without any practical experience in the work environment. One academic participant, who has about 20 years experience in teaching accounting, admitted that his hands-on experience background in the field of accounting is “zero” . It has reached the extent that he does not know what the current market requirements about accounting are:

*“I did not practice the professional work. I teach and educate the students according to what I was taught through my education journey in university. I follow the books and curriculum that are set by the school. I do not have any practical experience. Moreover, I do not know if what I teach to students is compatible with market requirements or not” . (Academic P.2)*

One academic participant spoke about a suggestion to give accounting academics some time to spend in the practice of accounting work and see the progress of accounting transactions in a real work environment, as a matter of gaining practical experience. The experience gained in the work environment could then be transferred to the teaching environment so students would benefit from it:

*“Through the teaching journey, if the opportunity is provided to academic staff to go out to the workplace from time to time and study closely the field that he specialises in; this will help them more in the development of their academic skills, and will assist them to build an adequate practical background about the needs of the labour market. Providing such an opportunity to academics, by giving them the chance to observe the work environment closely, will develop their skills and make them transfer the work environment needs to the student clearly”. (Academic P.1)*

The importance of “hands-on training” for academics and its usefulness to bridge the gap between learning and practice, is explained by a business sector participant who indicated that:

*“.. intensifying real work examples and increasing communication with the work environment is important to close the gap ... could send academic staff to attend some training courses in practice, to benefit from the experiences and apply them while teaching students ... .” (Business P.1)*

The professional representative acknowledged the necessity of gaining professional qualifications next to academic qualification because:

*“From my point of view good preparation for academic staff, both professionally and academically, is vital to raise the quality level of the graduate. From my personal experience, I got my PhD in accounting from America, but I benefited more efficiently and professionally from the training provided by practical courses that I obtained from SOCPA and more when I got my professional certificate through my academic teaching ...”. (Profession P.1)*

This insight connects to the next code, where the academic participants believe that the lack of a professional background for academics affects their performance, as well as their teaching methods. In other words, academic teaching methods depend on academic practice and professional qualifications. This in turn could affect the output of education, in so far that students will use their theoretical background without any practical link. One academic, who is the head of the accounting department in one of the universities, explained the relationship between academic qualifications and the impact on the student's achievement level through academic teaching methods, he commented that:

*“There is still a sort of tradition in our teaching methods in the universities. In fact, that depends more on the academic regarding his way of delivering the information and teaching it. Some academics have previous professional experiences and academic qualifications, which are likely to influence their teaching methods positively in a way that could benefit the student and raise his level of achievement. On the other hand, there are others who do not have these experiences; we could find that they are heading to the traditional style of teaching, which could possibly affect the student in a negative way ... .”*  
(Academic P.3)

Interestingly, he is acknowledging that the traditional way of teaching accounting could affect educational outcomes.

One academic participant believes that some subjects in accounting, such as auditing, depend largely on the practical professional background of the staff, and the extent of personnel acquaintance with auditing transactions in the work environment framework. Thus, she recommended holding training courses for the academic staff in audit firms.

*“It is good to hold a training course for academics from time to time. For example, when teaching auditing, academic staff should visit one of the audit offices in Saudi Arabia and study the course of accounting transactions closely in the work environment. This could improve their experience of practical and professional backgrounds. Then, when delivering the educational material to the students, they can describe to the student how such a transaction should be done according to the audit firms. The student and academic both could benefit from this, by giving a chance to the student in creating an environment, that simulates the workplace ...” . (Academic P.2)*

The view put forward by the professional representative is that the best way to avoid the lack of practical experience in the current situation is by obtaining professional qualifications. The belief is that with professional qualifications it is possible to bring academics closer to the work environment. Also, when academics get professional qualifications it could work towards improving the quality of their teaching methods and consequently, the outputs of the education system.

*“Precisely! I effectively professionally benefited after I got my SOCPA qualification or fellowship in terms of understanding and developing the accounting profession. However I did not get much advantage from it in terms of academic, I mean in the field of academic research. Even I can say that when I was working as an academic in the university, my teaching method significantly changed after I got my professional certificate. I started to teach the students in a more authentic style that linked the subject effectively to the work environment. Previously, when I was teaching the students, I was not very convinced about my way of teaching. I could not deliver the information to the student in a clear or convincing way because I could not link it to the reality of the accounting profession. When I got my fellowship, I become more able to explain some issues in accounting in a more professional style. Moreover, I have been able to transfer more information to the student very easily as I start to give them more examples from the real work environment.*

*As I stated previously, accounting is a profession more than science studying. Whenever the academic member can get courses or professional certificates, he will be more able to communicate and explain the information to the student. Therefore, the student could get the most of academic and professional information that is connected to each other. Which in turn could support them perfectly when they go out into the work environment.”*  
(Profession P.1)

The professional representative's view that the merging of academic and practical or professional qualifications, for academic staff, could play a role in bridging the gap between learning and practice in accounting education and which in turn could enhance the university system's outcomes, was also supported by academic and employee participants who consider that:

*“Sometimes it requires that academics hold professional qualifications besides the academic ones ... . Which in my opinion it is better to be proficient in delivering educational material as required. Also, to be sufficiently able to link between academic expertise and professional background ... .”* (Academic P.4)

Academics lack of qualifications were blamed by an employee as being the reason for their inadequacy in the work environment:

*“There is no consensus from my point of view between what is taught in the universities and the reality of the workplace. As I am a new employee and recently just graduated from university, I have been facing several difficulties trying to apply what I studied ... . In my opinion, this is due to the academics' qualification deficiency in Saudi universities, which is supposed to complete the bonding process between theoretical and practical in teaching all accounting subjects ... . The choice of university teaching staff should be based on a trade-off that relies on the professional and practical background for academics and not only their academic qualifications, especially when*

*teaching accounting because from my point of view accounting is a profession more than a theoretical science ... .” (Employee P.5)*

It is clear from the preceding revelations that the academics in Saudi universities need to obtain professional certificates in accounting for the purpose of developing and improving their performance and consequently, the quality of their graduates. From the perspective of some participants, they suggested that the solution to the problem of the gap between education and practice, in accounting education, could be achieved by academics obtaining professional qualifications. Others suggested training courses for academics in the labour market to acquire practical experience that is likely to help them in the development of their teaching methods, thus raising graduates' quality level and their suitability to meet employers' requirements. Meanwhile, one of the academics disagreed with this view; he believes that academic qualifications are good enough for teaching students accounting subjects in SA. He claimed that the lack of efficiency in the accounting education system depends rather on students' intentions and behaviours. He suggested that the quality of the output can be traced to the student's intentions since joining the programme:

*“Academic qualifications are good and can be considered at a medium level, however in my view the quality of education output is distinct according to students' intentions ... .” (Academic P.5)*

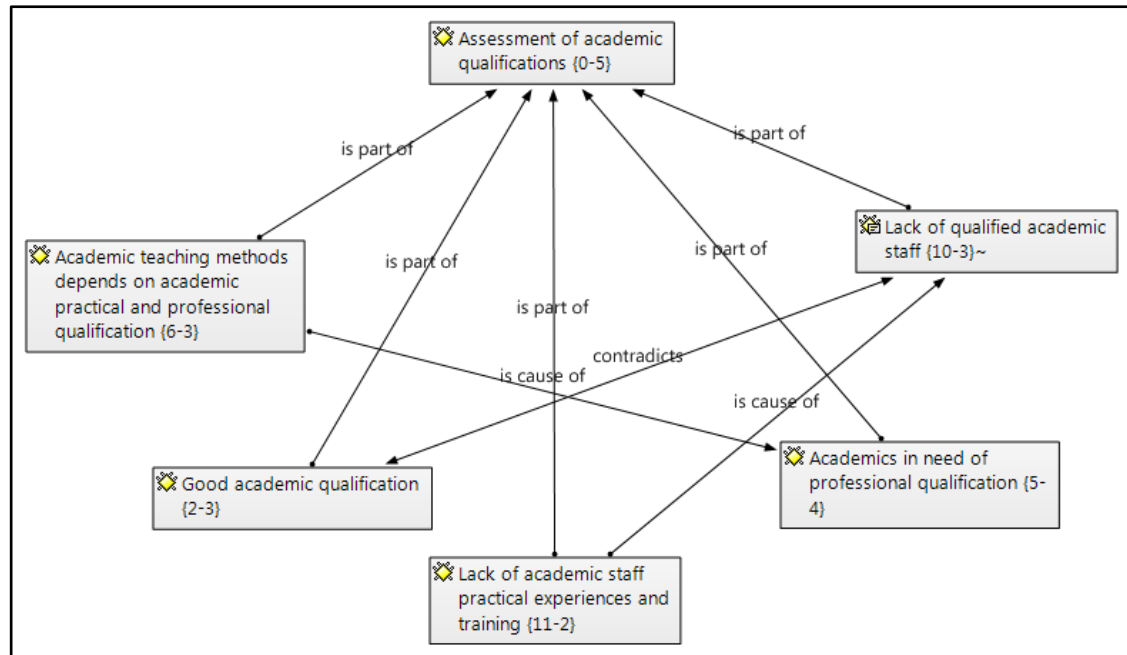
Students' intention and predilections are considered as factors that may affect the quality of education outputs and will be discussed further in the student evaluation theme.

To sum up this section, the researcher found that the accounting educational system in SA is suffering from a deficiency in qualified accounting teaching staff. Some participants pointed out this problem explicitly. Others linked the reasons for the inefficiency of learning

outcomes to the scarcity of qualified academics in accounting departments in Saudi universities. Participants made some suggestions that may possibly contribute to solving this crisis. They suggest that accounting education in SA should provide opportunities to academics, from time to time, to get closer to the work environment. Such an experience would help in developing their skills and allow them to transfer the needs of the workplace, and its surrounding environment, to the students in a way that could assist them in learning accounting in a satisfactory way (the new framework, discussed in the Literature Review Chapter).

Another suggestion, raised by the professional representative, encourages academic staff to obtain professional certificates in accounting or training courses that are supported by SOCPA in order to enhance their academic qualifications. A group of participants agreed with this because they believe that a professional qualification is more favourable to the practical reality of accounting than an academic one.

Figure 5.3 below shows that all five codes are part of the core category “Assessment of academic qualifications” and also illustrates the relationship between the codes.



**Figure 5.3: Assessment of academic qualifications**

## 1.2 Impact of motivation on academic staff performance

The second category that emerged within the theme "effectiveness of accounting academic staff" is: *the impact of motivation on academic staff performance*. One academic expressly acknowledged that the lack of teaching staff's motivation is negatively affecting academic teaching methods.

*"There is no motivation for the faculty members to work on the development of their performance or their teaching methods ... . There is no motivation for the development. The academic system is supposed to care about encouraging the academics and motivating them to develop their performance ..."* .  
(Academic P.3)

The category consisted of four sub-codes, see Table 5.3.



<b><u>Sub codes</u></b>	A	B	E	P	S	Total
1. Lack of academics motivations could impact on teaching methods	1	0	0	5	0	6
2. Academic working outside Uni	0	0	0	1	0	1
3. Centralising decision in creating curriculum	11	0	0	0	0	11
4. Gender bias	1	0	8	0	0	9

**Table 5.3: Impact of Motivation on Academic Staff**

The professional representative raised the issue of the impact of motivation on academics' performance in more than one place. In addition, he confirmed that the university environment in SA lacks an element of motivation according to his experience in academia before (lack of motivation is one of the reasons that made him leave a university job). The problem extends so far, that some academics start to look for additional sources of income and motivation. Through his experience, as an academic in the past, he suggested that the lack of incentives in the education environment and lack of motivation could encourage academics to work outside the universities, where proper motivation and encouragement exist. This staff leakage could affect educational performance, hence reducing the focus on the development of teaching methods in accounting.

*“In general, universities in SA lack a motivational and incentive environment for academics. Therefore, the case remains as it is, and no development in performance or teaching methods could occur. Thus, the level of graduates adapting to the working environment is reduced, as well as their level of quality. Moreover, some academic staff could ignore the importance of the scientific materials that he should teach to the students, because of the lack of incentives and rewards within the university. Thus, academics start to look for an additional source of income and then turn their attention to it and neglect their academic mission, which in turn could affect the way the*

*academic teaches the accounting subjects. Since he focuses on his new source and neglects his academic duties ...”. (Profession P.1)*

Furthermore, the professional representative considers that the motivation is to encourage academics to undertake scientific research and publishing and then reward them for this work with financial incentives. Motivation and encouragement, from the perspective of academics, is to involve them in decisions that relate to the design of the accounting curriculum. Some academics disclosed that they do not participate in curriculum creation. Academics, especially female academics, complained that there is a form of ignorance and prejudice they feel when they are not giving their opinion or their participation in the curriculum they teach. This feeling can turn to frustration and a lack of sense of their role in the academic education system, which affects their teaching methods and performance. One female academic participant indicated that:

*“Decisions are often central in regards to curriculum design. I have no knowledge of who is doing it ... . Decisions often come from the male section ...”. (Academic P.1)*

Another one explained the process and complained about not being involved in decision making:

*“Members who participate in this process divide into committees, each committee consists of the chairperson and members ... each committee works on the development of a particular subject in accounting, and then they choose and agree the curriculum that should be taught. In fact, the decision is in the hands of a particular group and since the beginning of my teaching I have not been involved for my opinion, even once in choosing the curriculum ... . All the process is done by the male section and we do not have any choice*

*in that. They agree about the curricula, then they send it to us to teach it. Our presence is only as a teacher to teach their curricula.” (Academic P.2)*

Other female participants, when asked about the latest curriculum developments, also confirmed lack of involvement:

*“I do not know ... they never ask for our opinion with regard to the curriculum ... .” (Academic P.5)*

Furthermore, a participant from the male department said that the decision about the curriculum is a centralised one:

*“Although the process is done according to a meeting with members of the Committee ... . However, the last word remains with the head of the department.” (Academic P.12)*

All these comments strongly indicate that the decisions in this matter are very centralised. This neglect of academic participation could negatively affect the academic staff 's performance, therefore reducing their academic enthusiasm to contribute to the development of the universities' outcomes.

The fact is that the academic is a fundamental element in the educational system, however any disregard of her/his role may adversely affect her/him and therefore could affect the outcomes of the education system. The gender bias factor plays a role in the motivation of academic staff. Female academic staff claimed that they feel neglected within the university environment. In addition, they believe that the level of trust in them is not as it should be. Therefore, this bias also affects their motivation, hence their performance and teaching method. Culture and society's perspective could play a role in this factor, as in SA accounting is viewed more as a male job.

### 1.3 Responsibilities of academic staff

Table 5.4 shows the perspective of the professional representative about the tasks that should be carried out by academic staff to improve universities' graduates. The professional representative declared three times that academics should work on updating their accounting knowledge and concepts more frequently:

*“Academic staff have a responsibility that they should at the beginning of each semester update their information about the latest developments that are taking place in the work environment; then they should develop and add these updates to the curriculum with the agreement of the head department ... .”*  
(Profession P.1)

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Academics should update their information and inform their education	0	0	0	3	0	3
2. Academics are in need of professional qualifications	2	0	1	2	0	5
3. Academics should encourage students to do more training and research	3	0	0	0	0	3

**Table 5.4: Responsibilities of Academic Staff**

He also gave a real example of the necessity for academics to update their information according to the updates in the work environment.

*“For example, let us talk about the Operating Leases and Capital Leases in international standards, one of them has been eliminated ... . I, as an academic, should not be wasting time in teaching parts that are not required in the field of work anymore for the student, which they will not benefit from! We are talking about a profession here that should link to the developments in the labour market... . We are all working in a constant loop, we should keep pace with the latest progress and update. Academics should be*

*interested in these updates and trace it up, so they are not wasting the student's time in learning things that are not applicable when he goes out into the work environment ... .” (Profession P.1)*

In addition, employee and academic participants suggested that academic staff should improve their background by taking courses at SOCPA. This code has been discussed previously in the *assessment of academic qualifications* core category. Some academics believe it is part of their reasonability to develop their teaching methods, either by professional qualifications or by training courses. Moreover, it is also part of their responsibility to encourage students more in research and training, in order to enhance their qualifications and skills.

*“Learning accounting should not only be limited to the curriculum, but an academic should also encourage students to read about what is new in accountability through articles and journals. Also, they should encourage them to find solutions for some accounting problems ... . Academics should give them practical cases from reality to develop their abilities and skills in detecting and analysing accounting problems ... .” (Academic P.6)*

#### **1.4 Academic expectations**

Academic staff expect that communication between the professional body see Table 5.5, business and the education sector in SA would contribute to bridging the gap between academic study and practice in the accounting profession. Academics suggest that SOCPA should communicate with the business sector directly and study new employee cases:

*“SOCPA should conduct a survey of the companies to study the shortcomings and weaknesses of the graduates (new employees) and then speak to universities to cover these shortcoming”. (Academic P.1)*

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. SOCPA should communicate with academics & business	2	0	1	0	0	3
2. SOCPA should train, encourage & support students to apply for membership	3	2	4	0	0	9
3. SOCPA should work on publications, research and translations	3	0	4	0	0	7
4. Business should support accounting research	4	0	0	1	0	5
5. Business should support students	12	0	6	0	0	18
6. Cooperative training program	5	0	0	0	0	5

**Table 5.5: Academic Expectations**

In terms of academic communication, one academic participant found that:

*“In regard to the role of the accounting body toward universities ... it should participate more effectively in the process of developing the university curricula ... then it should notify the university about the requirements of educational material that students should be taught, which would qualify them later for the profession”. (Academic P.12)*

From the participants' points of view, collaboration would serve the primary objective of promoting the educational process and raising the quality of graduates. Another expectation, that the academics believe could enhance graduates' levels, is that students need to train and exercise their theoretical knowledge to consolidate and link it to practical experience in the work environment. One form of cooperation sought is that SOCPA should provide training programmes for students at low cost and even help them connect theory with practice. From the view that professional qualifications could bridge the gap, business and employee participants recommended that SOCPA should encourage graduates to apply for professional qualifications, as indicated by the two following comments:

*“SOCPA could help by providing training programmes for expected graduates at low cost ... .” (Employee P.6)*

*“They should support the students and facilitate the obtaining procedures for professional certification for them ... .” (Business P.4)*

Some academic participants suggested other forms of linking theoretical knowledge to practical experience, putting forward the view that it is the duty of SOCPA to increase the number of accounting publications and make a greater effort in translation work. This would help the education sector in the process of developing the academic side of the accounting profession in SA.

*“Contributions could be obtained by working on the translation of main accounting reference materials, so that universities benefit from them. Alternatively, even offer translation courses and adopting basic world books in accounting ... i.e. intended to keep the academics in constant contact with the external developments of the profession by translating basic reference work and books in the field of accounting ... and also support writing, publishing and research processes ... .” (Academic P.3)*

In terms of business contributions, academics and the professional representative claimed that business also should support and fund academic research in accounting to enhance the profession's position in SA. In addition, the academics expect business to make more effort regarding students' training. They believe that the:

*“Business sector should contribute in this by holding more induction courses about the labour market needs, and work to attract a larger number of graduates to work in the business sector ....” (Academic P.1)*

The employees think that the contribution of the business sector is critical. It could help graduates or new employees to engage in the work environment:

*“They should invite employers to conduct lectures and courses for students ... it is important to attract new employees to give lectures to students and introduce to them what they will face in the work environment more clearly ... .” (Employee P.7)*

One of the employees considered the accounting student as an investment that the business sector should take care of from an early stage because:

*“When sending a student to the business sector for training ... employers should open the door for the student to learn and benefit from this training... what always happens is that the student has no right to access to most of the company's transactions ... . Consequently, students' training will be very superficial. The business sector should know that they are the first beneficiaries of the graduates. After they have graduated, they will hire them and will benefit from their education and experience. If opening the way for the student to learn more about the business environment, from the beginning, we will have graduates who are more aware and familiar with the requirements of the labour market and they could cover the needs. Thus, the business sector in this way may invest in the student effectively... .” (Employee P.2)*

Some universities have adopted new training programmes. One such programme is called the "Cooperative Training Program" and is defined as: *"a program aimed to achieve the highest degree of harmony between what the students study and what is required and used in the actual work sites through the cooperation of the educational institution with the business to train students to practice tasks during periods of specialized study in the work environment according to the actual specific controls."* Some academic participants expected that this cooperation, between the business sector and universities through a training programme, would help in bridging the gap between learning and practice, hence the quality of graduates would rise, if applied effectively.



**Theme two: Impact of academic teaching method**

The second theme defined from the coding is: "impact of the academic teaching method". This theme divides into two core categories: *assessment of teaching method in university courses* and *the impact of the curriculum on the teaching method*. Figure 5.4 illustrates the network view of the theme, showing that each core category consists of a number of sub-codes. In order to study the effect of the teaching method, assessment of it includes a number of factors that could influence the teaching method used in accounting courses in universities. Curriculum and books could be considered as factors that may affect the teaching method as well.

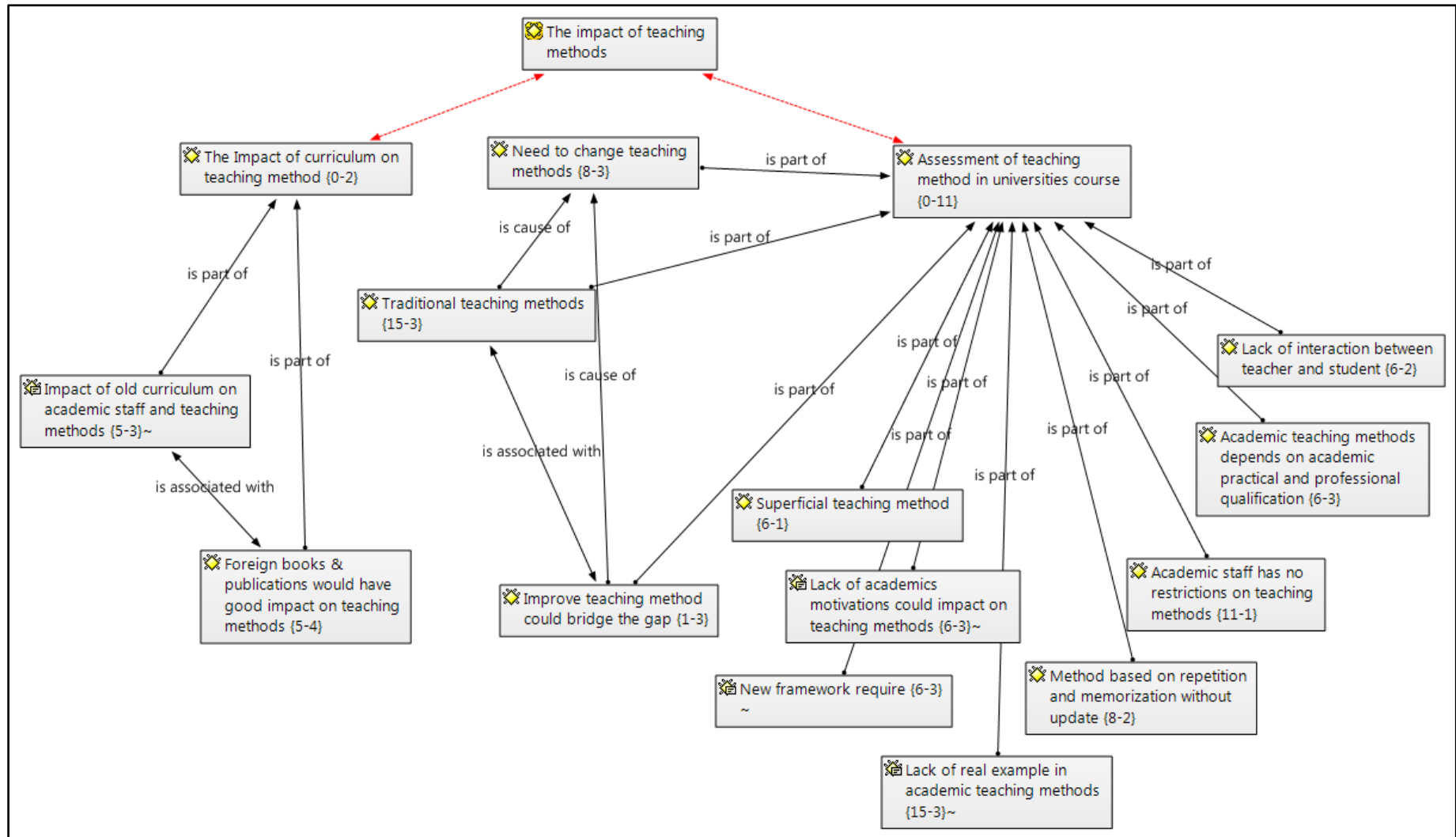


Figure 5.4: The Impact of Teaching Method

## 2.1 Assessment of teaching method in university courses

In order to judge the impact of the teaching method on the gap between academic study and practice in the accounting profession, the assessment needs to provide an overview of the current teaching method in some universities' accounting courses in SA. Table 5.6 displays the sub-codes that joined this category.

<u>Sub codes</u>	<u>A</u>	<u>B</u>	<u>E</u>	<u>P</u>	<u>S</u>	<u>Total</u>
1. Need to change the teaching method for more adequate graduates	2	3	1	2	0	8
2. Improving the teaching method could bridge the gap	1	0	0	0	0	1
3. The academic teaching method depends on academics practical and professional qualifications	5	0	0	0	0	5
4. Lack of academics' motivation could impact on the teaching method	1	0	0	5	0	6
5. Traditional teaching method	10	2	2	1	0	15
6. New framework require	1	3	1	1	0	6
7. Method based on repetition and memorization without update	3	1	2	1	1	8
8. Superficial teaching method	3	0	2	0	1	6
9. Lack of interaction between teacher and student	4	0	0	0	2	6
10. Lack of real example in academic teaching methods	2	3	7	0	3	15
11. Academic staff has no restrictions on teaching methods	11	0	0	0	0	11

**Table 5.6: Assessment of Teaching Methods**

Some participants in this study agreed that to get qualified graduates, the current teaching method should be altered.

One employee alluded to this directly, after suffering when involved in the work environment:

*“They should develop the current teaching method ... it must change from being an educational approach based on rote learning, and head to the method of deep understanding and implementation ... .” (Employee P.2)*

The business sector participants pointed out that graduates are not qualified, as yet, for the work environment because:

*“Saudi universities still need more time in terms of preparing graduates who fit the market requirements ... universities should abandon the traditional approach, such as rote learning, and focus more on practical practices in their teaching method.” (Business P.2)*

From the previous theme, the two codes: *"academic teaching method depends on academic, hands-on experience"* and *"lack of academics' motivation could impact on their teaching method"* are associated with this theme as the topic is about the teaching method. The two codes are considered as factors that may affect the academic teaching method. An accounting professor confirmed the impact of previous professional experience on academics' teaching methods; he suggested that:

*“As long as the university member has a practical and professional background, he can give examples of the reality according to his experience. Otherwise, he will remain linked to a particular approach and cannot get out from the theoretical textbook in this case ... . This could lead to weaknesses in his teaching methods.” (Academic P.12)*

The absence of an atmosphere of motivation in the academic environment, as mentioned earlier, may affect directly the academic's teaching method. The professional representative was one of the many who confirmed the importance of the motivation factor in supporting academic performance, where he spoke according to his previous experience in academia:

*“There is no means for encouragement of an academic that could assist him in the development of his teaching method ... . We found that there are a few of them who have enthusiasm about teaching ... it is become most important for the academic to give the scientific material he knows only to the student without any additions or supporting examples ... .” (Profession P.1)*

Some academic, business and employee participants and the professional representative claimed that a new framework of teaching methods should replace the traditional teaching method to enhance the quality of the outcome. An academic participant criticised the traditional method that is used in universities:

*“Our teaching method is still traditional, which has made our students receive template information that they need only to memorize before the exam to pass it ... . Our teaching method does not depend on the development of the students' knowledge and develop their abilities by applying practical situations from different sources ... .” (Academic P.6)*

Some participants stated some additional reasons why the current teaching method is not efficient and could affect the quality of outcomes. In other words, why there is a need to replace the current teaching method by a new framework. For example the professional

representative talked about the current teaching method being based on repetition and memorisation, without any updates from the work environment.

*“Their way of teaching depends on an indoctrination of the accounting topics and a repeat of the curriculum each semester without any updates or development with the work environment. Therefore, this could affect the quality of graduates negatively... .” (Profession P.1)*

Student participants also confirmed this issue, regarding the teaching method:

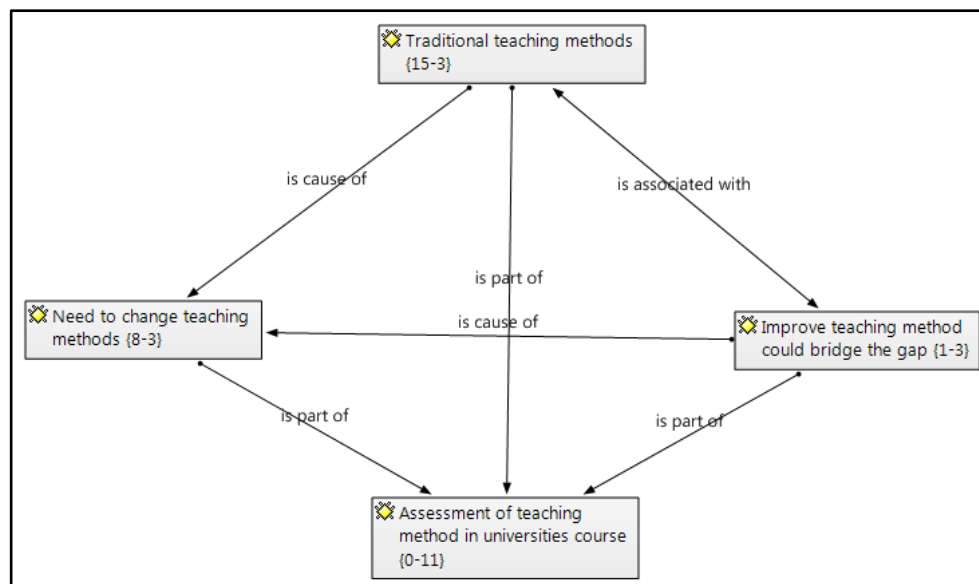
*“We miss the real practice of accounting, which is, in my opinion, an essential part of this field of study... . Teaching here relies on the theoretical method and indoctrination style of learning. We need to see the accounting cases as they are in the real work environment ... . We really want to touch and feel the accounting practice here ... .” (Student P.1)*

A new employee participant, engaged in the work environment, alluded to this and said:

*“They should change the teaching approach the way they are ... change it from reliance on a rote teaching method to reliance on more understanding and practical method ... there is a weakness in teaching the audit subject... . Me, as an accounting graduate, I should at the very least be versed in the work of the internal auditor... . Alternatively, what I received was purely theory with no practice or link to the work environment... . For me I do not recall anything of the auditing subject ... .” (Employee P.2)*

Since they depend on didactic Arabic books that are based on a rote learning approach, as mentioned earlier, some participants identified other reasons as to why the current traditional teaching method should be replaced See Figure 5.5 . They believe that the current method is a type of superficial learning approach. According to Morrison (2004), the determinants of superficial learning methods are:

- *An excessive amount of course material and inert discrete knowledge as facts.*
- *Relatively high class-contact hours.*
- *Lack of opportunity to pursue subjects in depth.*
- *Lack of choice over subjects and methods of study.*
- *Passive learning.*
- *Threatening and anxiety-provoking assessment system.*
- *Memorisation as an end in itself.*
- *Assessment which asks students to reproduce information rather than make sense of it.*



**Figure 5.5: Traditional Teaching Method**

Some academics and students raised the point of the lack of interaction in the accounting education teaching method. Accounting is a subject that depends on an interaction-studying style for more effective outcomes.

*“In general, students lack participation and teamwork ... . Students only receive the information from the academic ... there is a gap between*

*accounting education axes ... should develop the skills of dialogue and discussion for students that are essential to the work environment.”*  
(Academic P.2)

(In this quote what the participant means by “accounting education axes” are the teacher, the student, and the books.)

Some participants, in the study, were in agreement about the lack of real examples in universities' accounting teaching method, which in turn has lead to the gap between university education and the work environment. One business participant, a HRM for one of the banks, recognises the effectiveness of integrating real examples in the course of study, she said that they:

*“Should focus on applying more practical examples during the study, also should link the theoretical study to the workplace. A student who is exposed to real examples from the work environment, during the course, has a clearer perception of the environment and is able to imagine herself in situations in which it is possible to get across while practicing the accounting work ... .”*  
(Business P.6)

Some academics admitted that there is no restriction regarding employing facilities, such as real examples, that could improve or support their teaching method, however there is a lack of integrating of actual models within the course. This may be due to academics' lack of practical experience and lack of updated resources, which could affect their teaching method. With regards to overseas graduates, some academic and business group participants think that overseas graduates are more compatible with Saudi accounting work requirements, as they receive more developed teaching in overseas universities. Interestingly, one participant in the academic group claimed that the teaching method is good and well improved, this statement significantly linked to the rating of the university.



## 2.2 The impact of curriculum on teaching method

Academic participants claimed that the reason for the current traditional teaching method might be due to the lack of adaptation of curriculum resources:

*“Some Saudi universities are still adopting the Egyptian approach to teaching accounting subjects; by using Egyptian resources ... . Alternatively, they teach some Saudi books in accounting, which could be unedited sometimes. These books could affect the teaching method so that the style of academic will depend on a superficial and traditional learning style without deep understanding and applying of the accounting principles according to the work environment ... .” (Academic P.5)*

The outdated curriculum could have a negative impact on the academics' teaching methods. On the other hand, a factor that could influence positively on the academics' teaching methods are foreign books and publications see table 5.7. Some academics and the professional representative claimed that if academics are taking advantage of foreign books, this could improve their teaching methods which could consequently influence the quality of graduates. They claim that the contents of accounting books, in a language such as English, could be more sophisticated and more applicable to the workplace needs.

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Foreign books & publications would have good impact on teaching method	2	0	0	3	0	5
2. Impact of old curriculum on academic staff and teaching method	3	0	0	2	0	5

**Table 5.7: The Impact of Curriculum on Teaching Method**

### Theme three: Curriculum evaluation

The previous theme "impact of teaching method" explains the negative and positive influence of the curriculum on academic staff's teaching methods. The curriculum is a fundamental part of the education process, which should be focused on in order to the outcomes of the educational processes.

The third theme driven from the coding process is "curriculum evaluation " in SA's universities accounting courses. This theme divides into three core categories, with the first category being *assessment of the current curriculum in universities' courses*. In order to study the current curriculum status in university accounting courses, participants' perspectives could evaluate the status. The second category is *reorientation process - obstacles and challenges*. The third category is *restoration movement recommendations*. See Figure 5.6 Academic and business participants and the professional representative's views list some recommendations that could improve the current curriculum.

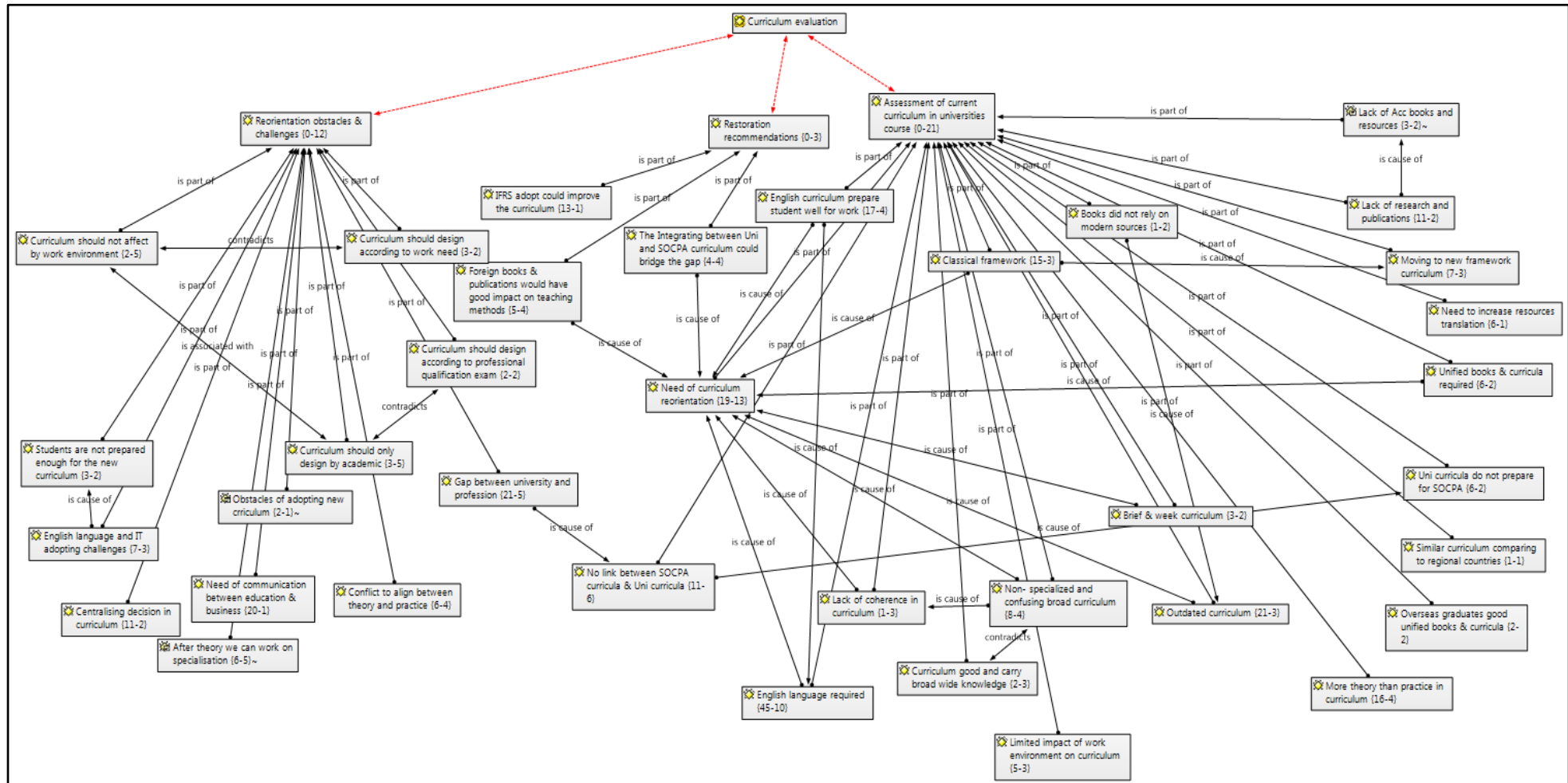


Figure 5.6: Curriculum Evaluation

### 3.1 Assessment of the current curriculum in universities' courses

This category displays group of 21 sub-codes. Some of these sub-codes have relationships with other themes and categories such as *English language required*.

Table 5.8 displays the 21 sub-codes that work together in order to provide an evaluation of the current textbook / curriculum in the seven universities.

<b><u>Sub Codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Need of curriculum reorientation	0	8	11	0	0	19
2. Brief & week curriculum	2	0	1	0	0	3
3. Non- specialized and confusing broad curriculum	0	0	0	0	8	8
4. Lack of coherence in curriculum	1	0	0	0	0	1
5. Outdated curriculum	9	2	4	3	3	21
6. Books did not rely on modern resources	0	0	0	1	0	1
7. Lack of Acc books and resources	1	0	0	1	1	3
8. Lack of research and publications	6	3	2	0	0	11
9. Need to increase resources translation	2	1	0	3	0	6
10. Similar curriculum comparing to regional countries	1	0	0	0	0	1
11. Curriculum good and carry broad wide knowledge	2	0	0	0	0	2
12. Classical framework	8	2	3	1	1	15
13. More theory than practice in curriculum	1	1	12	0	2	16
14. Limited impact of work environment on curriculum	5	0	0	0	0	5
15. Moving to new framework curriculum	7	0	0	0	0	7
16. English language required	12	7	9	0	17	45
17. English curriculum prepare student well for work	1	0	0	0	16	17
18. Unified books & curricula required	2	0	0	4	0	6
19. Overseas graduates good unified books & curricula	1	0	0	1	0	2

20. No link between SOCPA curricula & Uni curricula	10	0	0	1	0	11
21. Uni curricula do not prepare for SOCPA	1	0	3	2	0	6

**Table 5.8: Assessment of Current Curriculum**

Some academics argue that the current curriculum is good and sophisticated enough to suit the needs of the workplace.

*“Good curriculum and covers most aspects.” (Academic P.12)*

Other participants, in particular from the business sector and new employees agreed that the current curriculum needs a complete reorientation to become more suitable to meet the needs of the workplace.

*“Reliance on the theoretical side alone is not enough and makes the theoretical education, that is received by the student, as non-beneficial in my opinion ... curricula need to be updated as well as needing a comprehensive re-creation ... .” (Business P.5)*

Possible reasons for this view were provided by two academic participants and one new employee who considered that the university curriculum is brief, weak, and does not provide enough knowledge.

*“In my opinion we have a weakness in the method of selecting the curriculum topics ... the curriculum is brief and lacks variety ... .” (Employees P.2)*

On the other hand, students think that the current curriculum suffers from non-specialisation and contains unnecessary, outdated, and wide knowledge that needs to be replaced by modern, more specialised knowledge to suit the work environment needs in SA.

*“Topics in the accounting curriculum contain a lot of information which is hard to focus on all of them, in addition to that it is out of date ... .” (Student P.4)*

Actually, all groups of participants considered that the current curriculum is outdated. The professional representative mentioned that the most likely reason for this is that universities do not adopt modern updated resources, when designing the accounting curriculum.

*“The curriculum is not keeping pace with developments in the work environment, as it is not in line with the nature of the work environment in SA (high-income oil exporting country)... . The accounting curricula are outdated because people who have written them did not rely on modern scientific resources. The resources that the books are based on could have been composed during previous times, and not been updated in a way to keep up with market demands.” (Profession P.1)*

Additionally, some participants agreed that there is a lack of accounting research, publications and foreign book translations. Which in turn causes the accounting profession in SA to lag behind other countries in the region, in the field of accounting education.

*“There are weaknesses in the research field in accounting ... which in turn affect the construction of the accounting curriculum in terms of being compatible with the work environment.” (Academic P.8)*

However, one academic indicated that the accounting curriculum in SA, when compared to other countries in the region is mainly similar. The only difference he can see is that the curriculum in SA is influenced more by Sharia law.

*“Accounting materials in the Bachelor's level is almost similar to ones in the neighbouring countries, but here the educational content is significantly influenced by Islamic law such as accounting Zakat and the Jurisprudence transactions, considering that the Saudi state applies the Islamic Sharia Law.” ( Academic P.12)*

There is agreement among all groups that the current curriculum is following a classical framework approach, where there is more theory than practice and limited impact of the

work environment on the curriculum. Some academics believe that the classical framework currently does not fit with the rapid developments in the work environment.

*“Through my experience in teaching, so far I have not encountered any evolution in the curriculum that I teach the students ... . The curriculum is traditional, out of date, and has not kept pace with the evolution in the work environment.” (Academic P.6)*

Some academics cited examples from their personal experiences, which demonstrates the limited impact of the workplace on the accounting curriculum, which produces inadequate graduates.

*“The curriculum is not affected by the work environment, as it should, in order to produce qualified graduates. For example, new graduates are unable to develop the expenses and revenues budget. I worked for some time in a private company; it was difficult for me to deal with the expenses and revenue, especially after my manager requested me to use accounting software in order to develop the budget. It made my situation worse, especially when I did not have any idea how to use the software, while he thought that I should know it already ... .” (Academic P.9)*

Employers claimed that the classical framework should be replaced by a new one in order to produce graduates that are more adequately prepared to workplace needs.

*“Only focusing on theory does not benefit significantly in the work environment. Universities should work on the reorientation of the curriculum and make it more specialised by focusing on what the labour market in SA requires ... there should be continuous development of the curriculum. Otherwise, universities are producing graduates who are not adequate for the workplace.” (Business P.5)*

Most of the academics involved in this research indicated that there is a tendency towards changing the current accounting curriculum. Some universities have completed the process of change by adopting some the global body curricula, such as ACCA. Others are still in the process of changing and replacing. Moreover, some universities are considering the step of curriculum reorientation in their future plans.

In total, universities in SA have started talking seriously about the ineffectiveness of the current curriculum in the teaching of accounting, which they should replace. Teaching in English is one of the recommendations that has been taken into account when changing the current curriculum. Participants believe that teaching the accounting curriculum in English could increase the graduates' alignment to the work environment.

*“I can prove that from my personal experience. In Egypt, accounting subjects are taught in both Arabic and English. An English curriculum in my view qualifies students to join the workforce in the business sector largely ... . I seriously doubt the ability of Arabic accounting graduates to continue to professional certification programmes or easily engage in the work environment ... .” (Academic P.12)*

Furthermore, student participants agreed that English is starting to be highly in demand in the business environment. Students who study accounting in Arabic feel left behind because:

*“English language is very important, most of the private sector companies ask for English as a condition for the job. Studying accounting in Arabic makes us lag behind our peers.” (Student P.1)*

Moreover, they think that it would help them to stay updated with other international financial events:

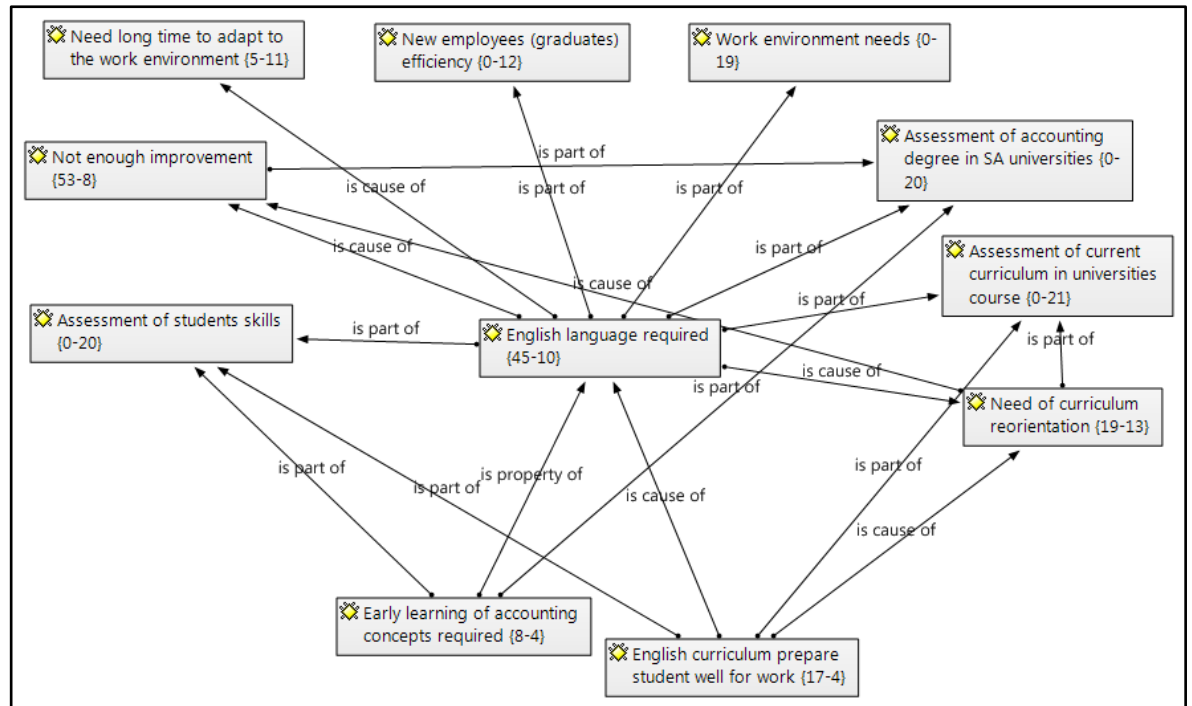


*“English has become very much in demand nowadays ... it is becoming one of the profession's requirements. So that we can deal with the other nationalities in the work environment and be able to read and understand the international financial statements and reports ... . It keeps us updated with other international events.” (Student P.3)*

In addition, it provides better job opportunities:

*“I think that studying accounting in English is the best, as it helps to strengthen the professional level in the field of accounting and gives preference in getting a job.” (Student P.14)*

English language use is a highly stated code by all participant groups; it also falls under more than one category See Figure: 5.7. All indicate the importance of English in studying accounting.



**Figure 5.7: English Language Required**

Overall, participants insisted that the English language be strongly recommended for the universities accounting curricula. Moreover, they consider that English has become one of the main requirements of the current work environment. Added to this, most modern scientific sources and research in the accounting field are in English. The education system can update the academic curriculum and expand the circle of knowledge through accessing non-Arabic resources.

Some academics and the professional representative acknowledged that if the unification of the accounting curriculum, between Saudi universities, is adopted and is overseen by the quality and standards body, who work in turn on the development of the curriculum in line with the Saudi labour market requirements, this would serve to raise the quality of graduates. Moreover, it would be possible to guarantee that all graduates are receiving the minimum knowledge of accounting across the universities in SA. In addition, the professional representative believes that twinning between accounting curricula in Saudi universities

could increase the quality of university programmes by exchanging experiences in the performance and quality standards that are followed in Saudi universities. As the prestigious universities adopt higher standards than other emerging universities, this could also help to exchange experiences between universities. Comparing overseas graduates, one academic and the professional representative believes that the overseas university graduates have better quality standards, since the universities abroad rely on twinning in the curricula.

In terms of the alignment with the SOCPA curriculum, some academics, employees and the professional representative consider that there is a gap between professional standards and the universities' curricula. New employees found that, after attempting to get SOCPA qualifications, their university curriculum had not prepared them adequately for the exam:

*“In my opinion, the accounting curriculum at universities does not support us in passing professional exams. I have a sense that there is no correlation between the two approaches.” (Employees P.4)*

This is because, as one academic admitted, there is no link between the two curricula. The SOCPA curriculum focuses more on modern topics in accounting and follows the new framework approach. The findings indicate that there is a real tendency towards changing the accounting curriculum in the universities. There are several reasons provided by the participants for this attitude. One reason is that the current curriculum is out of date, since it is not associated with the workplace environment. Accounting, as a profession, requires that there is a constant connection with the work environment, where the accountant can be informed by the latest developments in the business world. Another reason that participants identified is that the current academic curriculum is either brief and does not cover the important topics in accounting, or is dense and lacks specialisation. Therefore, students

possibly feel confused and cannot identify the important topics that are beneficial when practicing in the profession.

Added to this, there is a request from all groups for the integration of English in all aspects of teaching in the profession. Some participants believe that the use of English, in the teaching of accounting, could contribute to raising the efficiency of the graduates, since English has become an essential requirement in the work environment after globalization. Another problem is that universities' curricula are not linked to the Saudi professional (SOCPA) curriculum, both are working separately. One proposal for raising the efficiency of the graduate is to establish cooperation between the universities and the Saudi professional body. Both should have a common goal which is to promote the profession in SA, so they should work together in order to support a successful accounting profession.

Next, the two following sections include some of the recommendations that should be taken into account at the reorientation process. In addition, some obstacles and difficulties that could face this process are discussed.

### **3.2 Reorientation obstacles and challenges**

The second category in the theme are the obstacles and challenges that may face curriculum reorientation after agreement to replace it. Some academics claimed that there are a number of obstacles that the procedure could face, see Table 5.9. Firstly, some academics think that students are not ready yet for the new adoption.

*“Recently adopted curriculum simulates the international one, but from my observation it does not fit the current university student's educational level (it is greater than the level of the students' understanding or awareness of ... .”  
(Academic P.12)*

For instance, some universities start to adopt an international curriculum that relies on English and the student's background in English accounting concepts are not good enough for this movement:

*“Academic accreditation developed the curriculum significantly. However, we still need to develop the students' understanding skills and qualifications, so that they can accommodate this new evolution in the curriculum. What I mean are linguistic and computer skills ... .” (Academic P.1)*

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Obstacles of adopting new curriculum	2	0	0	0	0	2
2. Students are not prepared enough for the new curriculum	3	0	0	0	0	3
3. English language and IT adopting challenges	3	0	0	1	3	7
4. Centralising decision in creating curriculum	11	0	0	0	0	11
5. Curriculum should design according to work need	2	1	0	0	0	3
6. Curriculum should not affect by work environment	2	0	0	0	0	2
7. Curriculum should only design by academic	3	0	0	0	0	3
8. After theory we can work on specialisation	3	0	1	2	0	6
9. Curriculum should design according to professional qualification exam	2	0	0	0	0	2
10. Gap between university and profession	8	0	6	7	0	21
11. Need of communication between education & business	5	7	8	0	0	20
12. Conflict to align between theory and practice	0	0	6	0	0	6

**Table 5.9: Reorientation Obstacles & Challenges**

The challenge is that students should be adequately prepared in terms of their English language background because public school students in SA are studying English only in the late stages of their years of study. Therefore, the students do not have sufficient language

scores that qualify them, when entering university. When students join the university course, their English language score is not adequate for studying accounting or any other subjects in English. Accordingly, some universities began to develop a comprehensive course in English to prepare students, but it still did not improve the effectiveness of these programmes because some of the material was still taught in Arabic.

Another challenge, which could hamper the process of reorientation, is information technology (IT) in accounting usage. Academics believe that the movement of replacement should include more use of accounting IT in the curriculum because IT is an important requirement in the work environment. Most of the participants agreed that the infrastructure of IT in Saudi universities is good, nevertheless the utilisation of IT is the challenge. The problem lies in the lack of trained academic staff and lack of appropriate training accounting software, in the sense that universities focused on creating infrastructure and neglected the provision of qualified staff and the appropriate training accounting software. In addition, academics believe that students need more training to develop their IT skills, to become qualified enough to work on a variety of accounting software in the real workplace environment.

The second obstacle are the central decisions in curriculum design. This obstacle could impede the process of curriculum development, or any design proposal, because of its long and complicated routine procedures. Moreover, centralising decision making, in creating a curriculum, does not give an opportunity to the rest of the academic staff in universities to post a role in the criteria of planning and building the curriculum, which can cause a decrease in the academic staff's enthusiasm for teaching the curriculum, as stated earlier under the academic staff motivation category. Added to this is neglecting the role of some members in

terms of participation in the views and proposals that would develop the curriculum. This code was discussed in the previous category, *the impact of motivation on academic staff*.

The third challenge that could face reorientation is the conflict between academics, the business sector and the profession about how the curriculum should be affected by the work environment or the SOCPA curriculum. The academics agreed that in order to bridge the gap between theory and practice, the work environment should have an influence on the accounting curricula. In other words, a continuous network connection should be established between the business sector and academics, so the second party can be informed of the latest updates in the business environment. Then the academics can work on the development of curricula that correspond with the work environment changes.

*“The business sector should inform the academics about the needs of the labour market, academics in turn could work on development of the curriculum according to their needs. For example, if the employer is a specialist in a particular trade or activity, he could communicate with academics so they can give him a proposal for the best accounting systems to manage his work. Thus, this accounting system could possibly be included in the curriculum and taught to students at universities.” (Academic P.12)*

A business participant confirmed the importance of the workplace's impact on the university curriculum:

*“The latest studies in the field of accounting education stresses on the need for the curriculum to reflect the real work environment. This is the only way to create a qualified generation of professional accountants. The studies indicate that only 20% of success in the job depends on the ability to understand and learn and 80% relies on ability and communicating with others.” (Business P.4)*

This attitude reflects the need for a new framework approach that is based on continuous connection to the work environment. In contrast, other academics argued that the curriculum should not be affected by the work environment and should only be designed by academics because of the instability of the workplace environment.

*“Although it is well known that accounting is a profession, but it should be taught as a theoretical science ... . It is impossible to change the academic curriculum according to the needs of an ever changing business sector ... sector needs are variable and irregular ... . What we are supposed to teach in the first place is certain and firm theoretical knowledge, and then work and environment requirements can be taken into account, with the condition that not to compromise on the basics and theories of the education environment.”*  
(Academic P.3)

These academics believe that students should be taught the appropriate amount of theory during the course. They maintain that after assuring that the student gets the appropriate and sufficient amount of the theoretical aspect, it is possible to focus on the training or the training could be completed in the work environment. Some academic participants suggested that SOCPA and universities curricula should be integrated. They believe that the SOCPA curriculum focuses more on the practical side than the theoretical side, which makes the student more prepared for the work environment, than does the university curriculum. Therefore, the integration of the two curricula will create a curriculum balanced between the theoretical and practical trend directions.

The fourth obstacle that could face the reorientation will be the gap between academics and SOCPA, and academics and business. The three parties represent the triangle that the accounting profession in SA relies on. Firstly, the existence of the gap between the academic



and profession (SOCPA) and some academics believe that this gap negatively affects the accounting profession in SA.

*“SOCPA's relationship with universities and the educational side is very weak ... . Universities in SA are working on a particular approach which does not serve the body; it only serves the theoretical knowledge that is studied in universities. We can say that there is a lack of communication between the two parties ... SOCPA's contributions is less than expected ... .” (Academic P.3)*

For example, the connection between the accounting profession and universities could affect the curriculum re-creation process and thus affect the quality of graduates.

*“Some universities began cooperation with international accounting bodies on the issue of the curriculum ... I believe that this cooperation could contribute in terms of producing graduates who are more suited to the work environment ... .” (Academic P.4)*

When lack of communication exists, academics are not able to work on the reorientation process properly; as a result, they create a curriculum of a theoretical nature that will not prepare the students for the workplace. Also without communication with the professional body, academics may not have any knowledge of the professional developments in SA because SOCPA is the body that represents the accounting profession in SA.

*“The authority should intensify communication with the universities, creating permanent channels of communication; in addition, they should share research and seminars with academics at universities and tell them about the latest developments in the accounting profession in SA. Because SOCPA is connected directly to several external channels, such as the Ministry of Commerce and some organizations that represent the business sector in Saudi Arabia ... as the current Chairman of SOCPA is the Minister of Trade ...” (Employee P.7)*

Secondly, of existence of the gap between the academic and business sectors, some academics admit that:

*“What is taught often is something and in the working environment is something else ... .” (Academic P.11)*

Employees also admitted that the lack of communication or cooperation between education and companies in SA, in turn affects graduates' adequacy.

*“The basic problem is that the new graduate does not have sufficient knowledge about the needs of the work environment ... . Accounting graduates lack the teamwork and the work environment integration, which I personally suffered from at the beginning of my work practice ...*

*how to review the financial statements and accounting records differs significantly from the theoretical reality that has been studied at the university ... because companies rely heavily on computer accounting software in accounting transactions ...”. (Employees P.7)*

New employees agreed about facing a conflict to align theory and practice in the work environment. They claimed that the theory background, that they received during their academic years, is not in line with updated procedures in the work environment. Thus, they face challenges when involved in real work life.

### **3.3 Restoration recommendations**

The final category in the curriculum theme is the recommendation that some participants put forward to improve the curriculum Table 5.10. As mentioned earlier taking advantage of foreign publications and books could help to improve teaching methods and the curriculum. Moreover, some academics and the professional representative suggested that the integration between two curricula could bridge that gap between theory and practice. Finally, some academics, business participants and the professional representative think that if the adoption of IFRS is complete, this may improve the profession in SA, and consequently academic education.

<u>Sub codes</u>	<u>A</u>	<u>B</u>	<u>E</u>	<u>P</u>	<u>S</u>	<u>Total</u>
1. Foreign books & publications would have good impact on teaching methods	2	0	0	3	0	5
2. IFRS adopt could improve the curriculum	8	3	0	2	0	13
3. The Integrating between Uni and SOCPA curriculum could bridge the gap	3	0	0	1	0	4

**Table 5.10: Restoration Recommendations****Theme four: Student evaluation**

The fourth theme created in the study is “student evaluation in SA universities” and divided into four core categories: *students’ predilections and expectations; assessment of students skills; assessment of accounting degrees; overseas graduates*. During the coding process, the phrase “student predilections” was mentioned more than once within the interviews. Some participants believe that the students’ predilections and objectives may affect the quality of education output.

*“Students’ predilections have a significant impact on the quality of the output. The student should have strong, clear, willing attitudes toward accounting, without any external influences ... .” (Academic P.2)*

In addition, in this theme students listed some of their expectations after graduating from their accounting course. This category forms part of the “student predilections” since it may affect educational outcomes. Moreover, the researcher included the group of skills that some participants think students should acquire, while studying accounting, to guarantee the adequacy of the outcomes. In addition, the participants stated their feedback about the current accounting courses in Saudi universities, since these have an influence on the students' performance. Finally, in order to evaluate students' educational performance in Saudi universities it has been compared to that of overseas graduates.

#### 4.1 Students' predilections and expectations

Table 5.11, shows that academic, business and employee participants and the professional representative believe that students' predilections and objectives could affect their grade, during the course, either positively or negatively. They suggested that if the accounting subject is the preferred focus of the student from the outset, and there is no other influence forcing them to join the course, the student's educational attainment will increase and they will have room for creativity and good achievement. Therefore, the quality of universities' output will increase. For example, one academic claimed that the ambitions and tendencies of students affect the level of academic achievement; the output varies depending on the tendencies and goals.

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Students predilections and intention could affect the output quality	5	6	7	5	0	23
2. Career reputation motivate student to register in course	0	0	0	0	9	9
3. Availability of job opportunities motivate student to register in course	0	0	0	0	9	9
4. Lack of female graduates motivate student to register in course	0	0	0	0	2	2
5. Student looking to work on big firms (banks, accountants firms)	0	0	0	0	9	9
6. Parent desire motivate student to register in course	0	0	0	0	5	5
7. Student predilection to math & calculation motivate to register in course	0	0	0	0	4	4
8. Students willing to complete further study	0	0	0	0	1	1
9. Student have doubt about career future	0	0	0	0	10	10

**Table 5.11: Students Predilections and Expectations**

*“In my view, the output quality varies in accordance with students' tendencies. In some cases, students' tendencies are affected by their economic situation. Therefore, the output quality is tracking the students' economic situations. Whenever the student's economic situation is low, the output quality rises because the student's predications and tendencies to joining the accounting course is serious and genuine. The student's main purpose for being here is getting a good job with a good salary after graduation. Nevertheless, in the case of the economic situation of the student is high. The outcome quality will decrease because the student's tendencies will be getting the qualification only as a social status ... . Of course, this case cannot be generalized, but the accounting profession has developed in the community affected by it, and it's affect on it ... .” (Academic P.12)*

Student participants mentioned some factors that could encourage them to study accounting. For example, some students admitted that the main reason that influenced their decision to choose to study accounting is the career reputation it has. They believe that accountant have a good reputation in the job market.

*“Accounting has become one of the prestigious professions in the community ... . It has good career prospects, especially if you can find a job opportunity in one of the famous companies in the business sector.” (Students P.3)*

Some of them had just heard about the future of accounting and then decided to join the course:

*“I heard that it has good career prospects...” . (Student P.6)*

Others are more attracted to the white-collar job concept, preferring to earn high average salaries and not performing manual labour at their jobs:

*“Loving to work in the field of banking ... I consider that a decent job”  
(Student P.7)*

The availability of job opportunities also attracts students to choose accounting as a field of study in SA, therefore they prefer to work in big accounting firms or banks.

In the past few years, foreigners and non-Saudi employees have mainly occupied accounting profession jobs. The evolution of the profession and the establishment of the professional body (SOCPA) has contributed to the spread of the profession and increasing the number of universities that teach accounting, this having previously been limited. Thus, the movement to replace foreign accountants by Saudis began. The “Saudization” movement has contributed to this significantly, especially after the advantages granted by the government to companies in the private sector, in terms of employment of Saudi nationals. Accordingly, job opportunities in the private sector for Saudi accountants has increased, although confidence in the Saudi accountant's level is still low. This matter will be discussed in detail when it comes to the difficulties faced by staff under the theme of employees' evaluation.

Currently, it is noticeable that females are willing to work as accountants, more so than in the past as:

*“Lack of female graduates in accounting and their rarity was the reason for choosing for this area until I find job opportunities when I graduate ... . The labour sector in SA is now opening the door more widely for females to participate in this area.” (Student P.1)*

Female students believe that with the increase in awareness of the accounting profession in society, the demand for the profession from females will increase as well. In the past, there

was not enough awareness of the accounting profession by society. In addition, it was a common belief that accounting is a masculine profession. Nowadays, after the increase in awareness of accounting, there has been an increase in females studying accounting, especially as the number of female graduates are few due to lack of demand in the past. Therefore, the business sector establishes career opportunities for females, more so than before.

Other students suggested that their parents' desire is the main reason that influences them to study accounting. Either the family has or had their own company, and they are willing for their child to work in it, or one of the parents worked before as an accountant and wanted or wants their child to follow the same path. Both reasons could affect the student's choice. A small group of students have enough predilection to maths and calculation jobs that made them choose to study accounting. Another reason is that some students are willing to continue their study and take it to a higher level, such as a Master's degree or PhD. On the other hand, some students just join the course without any reason or objectives and really have doubts about what to do after graduating.

*“I do not have an idea about prospects in the profession ... I see a lot of those who have graduated are still unemployed ... . I chose this course because it was available at the time ... .” (Student P.6)*

Academic participants and the professional representative believe that this type of student will not get the maximum advantage from the course and will leave the course with superficial knowledge.

#### 4.2 Assessment of Students' skills

The second category of the student evaluation group is *students' skills assessment in the accounting course in SA's universities*. Academic, business, employee participants and the professional representative all agreed about the inadequacy of students' acquired skills to the work environment; they believe that students are not compatible with work environment needs. Table 5.12

*“In my opinion most graduates of Saudi universities suffer from a lack of scientific and practical efficiency compared to their counterparts in the neighbouring countries, especially graduates of public universities and technical institutes. The level of efficiency they have is less compared to graduates of overseas private universities.” (Business P.2)*

*“Graduate quality is less than expected ... the accounting profession in SA is more than fifty years old and the graduates' qualifications are still unsatisfactory ... . Graduates have a weakness in the skills of accountants and how to cope with the work environment. In addition to that the non-conformity of the theoretical and practical reality.” (Employees P.7)*

Even academic participants admit to the inadequacy of graduates to the workplace:

*“According to my knowledge, graduate qualifications are not adequate to meet the requirements of the current labour market. We should work more on making them more appropriate to the requirements ... . There is no point in producing graduates who do not match the requirement ... .” (Academic P.11)*

There are some reasons behind this assertion and all groups of participants share this view regarding students' lack of training.



*“There is not a lot of correlation between what is taught in universities and the practice of the accounting profession because of the lack of training available through the course ... they should intensify students attending training programmes that support the theoretical study. Also, attending workshops and conferences in accounting could help them to see the latest updates in the field.” (Academic P.5)*

*“Students need training courses in addition to those courses offered by the university ... .” (Academic P.6)*

Academic and business participants considered that training students for accountancy is one of the university's educational tasks:

*“The importance of accounting education should be in the development of the accounting profession, as university education is one of the basic elements of the profession in SA ... . There was an urgent need to focus on practical training for the profession in order to provide basic skills for accountants, such as the skills of decision-making and the ability to analyse, give judgment, credibility and ability, the expression and transparency ... .” (Business P.4)*

However, the professional representative suggested that student training should also be a part of the business environment's tasks:

*“Universities began adopting practical training programmes; however these programmes, from my point of view, were not effective because they were not real and supported. If a student internship is adopted for one year in one of the accounting firms or audit or approved business sector companies, this could contribute to bridging the gap between education and practice ... . The business sector should adopt student training as part of their duties towards accounting graduates.” (Profession P.1)*

These views strongly indicate that universities and businesses should work together to develop skilled employees in the accounting profession, by combining both academic knowledge and practical ability. Recently, some Saudi universities, as mentioned by the professional representative, have established cooperative training programmes in order to cover this lack of a combined approach. Academic participants also believe that these programmes should benefit the students if activated properly. The programme “Cooperative Training Program” (CTP) content is included within the academic expectation category (see table 5.5)

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Not good enough for market requirements	0	3	1	1	0	5
2. Academic agreed graduates are not adequate	5	0	0	1	0	6
3. Lack of training	6	9	13	3	25	56
4. Training required in Acc firms	0	0	0	1	0	1
7. Cooperative training program	5	0	0	0	0	5
5. English language required	12	7	9	0	17	45
6. English curriculum prepare student well for work	1	0	0	0	16	17
7. IT skill required	9	7	13	1	3	33
8. Business require more IT skill than theory	1	2	0	0	1	4
9. Accuracy & promptitude required skill	2	4	3	1	0	10
10. Team work skill required	4	5	2	0	0	11
11. Analytical skill required	4	3	2	0	0	9
12. Calculation skill required	6	4	7	1	0	18
13. sufficient IQ & ethics required	0	0	0	2	0	2
14. Risk of low rate qualification student apply to university	1	0	0	1	0	2

15. Require to increase requirements and standards of the course	2	0	0	1	0	3
16. Should encourage student more on dialogue & discussion skills	2	0	0	0	0	2
17. Business require both theory knowledge & professional qualifications	0	0	1	1	0	2
18. Uni graduates cannot pass SOCPA exam	1	0	0	2	0	3
19. Good in English	1	0	0	0	0	1
20. Good in theories	4	4	7	0	4	19

**Table 5.12: Assessment of Students Skills**

The item *English language required* is listed under this category once again. There is strong agreement among the student participants that if they learn accounting in English they will be more prepared for the work environment. They believe that English has become one of the profession's key requirements in SA.

*“English language could support and develop the professional work ... .”*  
(Student P.6)

*“Accounting principles and standards, if the studies were in English I would benefit from it in the practice of the profession.”* (Student P.4)

In addition, some students believe that English language skills will keep them up-to-date with other international financial information.

*“English language could develop our level of knowledge. It is important for the accountant to obtain an English accounting terminology background in order to support him when reading English financial statements. At the present time, it is hard to find any professional job that does not require an English language background.”* (Student P.13)

Participants confirmed that teaching the accounting curriculum in English could develop the linguistic background of the student. Moreover, it would enable the student to understand

the content of English resources in order to expand their knowledge in accounting, as mentioned earlier. Specifically, most of the English language publications, in the field of accounting, are much closer to the work environment and its rapid developments. Nowadays, the business sector in SA relies heavily on English in the management of companies. Overall, English has become one of the job requirements in the field of business and because of its dramatic impact, this item falls under more than one theme and category.

The code *IT skills required* was stated one more time under this category. All participants agreed that nowadays adopting IT skills is highly demanded by the business environment. Graduates should be able to employ IT in accounting and have enough skills to work on accounting software. Employees claimed that most medium and large enterprises in SA use accounting programs for their financial transactions; employees have to be able to work on these programs in a short period of time in order to take the job.

*“The basic problem is that employees need to be familiar with the accounting software that is in place in the company ... . New graduates usually do not have sufficient IT skills that could support them in this case ... .” (Employee P.7)*

Therefore, participants believe that when students graduate they should have sufficient IT skills to use these programs. Moreover, some business participants admit that IT skills are more required in the workplace than university theory knowledge, i.e. academic qualifications in accounting, the reason for this is stated by one of the business participants:

*“Companies in the business sector have become employers of more people who know how to use accounting software regardless of their proficiency of accounting as a profession or not ... . Those who have experience of using computer software, in addition to mastering the English language, have a greater chance in the position of an accountant or in any other profession. Those who hold these modest qualifications and are not necessarily in the field of accounting, do not cost the company a lot in terms of salaries,*

*therefore they are employed by companies due to lowering of their costs ... .”*  
*(Business P.5)*

Nevertheless, some participants mentioned the risk of employing unqualified people in the profession. This will be discussed more in the new employees (graduates) efficiency category.

Some academic, business and employee participants and the professional representative listed a number of skills that are expected to be acquired by the students in order to achieve the adequacy needed, such as teamwork skills, analytical skills, calculation skills, and accuracy and promptitude, which is required by the accounting profession in practice. The professional representative suggested learning from others' mistakes and the need to emphasise ethics in accounting and teach students more in this area in order to avoid future crises. In addition, he believes that a sufficient IQ level is required in order to study accounting subjects. Moreover, some academics and the professional representative warned about risks of low rate qualifications or low IQ students who apply for accounting courses.

*“Unfortunately, some universities in SA accepted low academic average (GPA) students in accounting courses ... . Students have picked this course just because they already know that they will get a good job after they graduate, even though they are not qualified enough to practice the profession. In such a case some person that the graduate knows already helps him to get the job in the company, while he is not qualified professionally or scientifically to practice the profession. These people who pull down the profession's efficiency in SA. They are not professionally qualified and hired by the recommendation of someone or been employed in their own family business.” (Profession P.1)*

Therefore, some suggest that emerging universities should increase the accounting course requirements, since some emerging universities still offer places to the low grade point average (GPA) student.

Some academic participants argued that, in the classroom, academics should work on developing students' dialogue and discussion skills, because when practicing in the profession they will need these skills to discuss and share their views with colleagues at

work. Some employee participants and the professional representative agreed that in the real work environment, business would require both theory and practical skills. Students should also be able to connect accounting theory, that they have learned, with actual utilisation of this theory in the work environment, which can be obtained by effective training courses as suggested earlier.

Overall, the professional representative found that university students are unable to pass the SOCPA exam because of lack of practical skills. He emphasised that university education should place more effort into developing students' skills. If students acquired such skills, they would be more adequate to the workplace requirements. On the other hand, academic, business and employee participants found that students already had sufficient theory and training during the course. This item depends more on the university's rating.

#### **4.3 Assessment of accounting degrees in SA universities**

A part of the students' evaluation theme is to assess the accounting degree course in some Saudi universities. All groups agreed that the current accounting courses are not adequate to the work environment needs (see Table 5.13 for more details about the codes frequency).

*“The quality of the content of accounting programmes in Saudi universities is not good enough.” (Academic P.1)*

*“There is no progress, especially in the field of accounting education. Education still does not cover the market needs and does not meet the requirements.” (Academic P.4)*

*“For accounting education in SA, we are still late ... accounting courses are not developed to the point where it is possible to cover the market needs. This*

*also applies to all disciplines in business. In short, we are still behind the advanced countries ... .” (Academic P.3)*

There are a numbers of reasons behind this statement. Some reasons have been mentioned earlier such as curriculum problems, academic staff effectiveness, and students' required skills.

*“Accounting courses in public universities are in need of further development ... I can say that, it is not up to a satisfactory level in terms of producing graduates in the field of accounting ... courses are not designed well enough to cover the market needs. They are still producing graduates who have a lack in accounting software and data analysis skills ...a lack of teamwork skills ... language is an obstacle for them ... .” (Business P.1)*

*“Although there are some developments and changes regarding the accounting courses at universities but so far I did not find any significant progress in the outcomes. The reason for that is that there has been no development and actual reorientation for the curriculum. I can say that until 20-year time universities will not be able to produce graduates at required levels.” (Employee P.2)*

<u>Sub codes</u>	<u>A</u>	<u>B</u>	<u>E</u>	<u>P</u>	<u>S</u>	<u>Total</u>
1. Not enough improvement	19	12	4	5	13	53
2. Student acquired enough skills and knowledge	0	0	0	0	3	3
3. Student did not acquired enough skills from course	0	0	0	0	14	14
4. Student did not get enough knowledge from course	0	0	0	0	6	6
5. Linking between theory & practice (work needs) required	12	8	26	2	2	50
6. Depends on university rank (network view)	2	5	1	0	0	8

7. New framework require	1	3	1	1	0	6
8. English language required	12	7	9	0	17	45
9. Early learning of accounting concepts required	3	3	2	0	0	8
10. Can cover the market requirement through skills but not the basic	2	0	0	0	0	2
11. After theory we can work on specialisation	3	0	1	2	0	6
12. Acc is a profession that develops with practice not knowledge	4	0	0	0	0	4
13. Require to increase studying years	0	0	1	1	0	2
14. Training required in Acc firms	0	0	0	1	0	1
15. Need to active current training program	4	3	2	2	0	11
16. Cooperative training program	5	0	0	0	0	5
17. Gap between learning and practice crisis	2	4	6	1	0	13
18. Need of quality assessment bodies	3	0	7	0	0	10
19. Impact of academic accreditation committees	3	0	0	1	0	4
20. International experience adv.	6	5	5	1	0	17

**Table 5.13: Assessment of Accounting Degree in SA**

The professional representative believes that this is a global issue, not only specific to Saudi accounting education:

*“When we talk about the quality of accounting education programmes in universities, I can say that it is not appropriate to the reality of the actual needs of the work environment (what I mean here are companies and banking sector also accounting and auditing offices). Accounting education is not equivalent to the Saudi labour market requirements. This is the result reached by myself and by other previous studies of accounting education abroad, where they found that the requirements of the labour market are more than is taught to students in universities ... .” (Profession P.1)*



Even students themselves have doubts about the courses they are taught, indicating that the status of current courses may not cover the work requirements:

*“I feel that the course did not meet the need as required, but I benefited from it to some extent.” (Students P.12)*

Some students, thought that they have not obtained a sufficient amount of skills and knowledge from the courses, others feel that they have received sufficient knowledge and skills that may support them in the work environment. Some academic and business participants and the professional representative attributed this statement to the university's rating. They believe that in a high rating university, or in some new private universities, students would receive better education. This is noted earlier by a business participant, when mentioning students' skills assessment:

*“... especially the graduates of public universities and technical institutes. The level of efficiency they have is less compared to graduates of overseas private universities.” (Business P.2)*

The call for a new framework has been stated in this category as well as in the *Assessment of teaching method in universities' courses* See Figure 5.8. Some participants believe that if universities move to the new framework approach in learning accounting, it will improve the quality of the courses and hence the output. Academic and business participants acknowledged the instability of the work environment, which has been identified in previous studies, and noted under the new framework. They stated the reason for the movement to the new framework:

*“As we mentioned the work environment is not going at a fixed pace, it is a volatile environment and affected by its surroundings. Preparing a student to face this environment inevitably will make him more productive and effective. This in turn could ease the gap between education and practice in the workplace.” (Business P.6)*

Integrating English into the course would help to improve the course a well.

*“Recently there has been a gradual shift to English as part of the development plan. In addition, English accounting terminology has been taught and introduced to the students.” (Academic P.7)*

Overall, the code *English language required* has been a highly stated code. Participants affirm that English should be part of the reorientation of the accounting education system. This includes the teaching methods, curriculum, students' required skills, and taught courses at universities. The reason for this is that English has become the language of the business environment in SA. If universities are willing to produce graduates who are adequate to meet the workplace, requirements they should consider integrating English into their accounting courses. Some universities take this step, but they face some conflict in the integration process. Students are still not prepared adequately to learn accounting English; they need appropriate preparation for this change. Some employers participants suggest that early learning of accounting concepts in English would help. On the contrary, some academic participants argued that courses should not be completely reoriented according to the work or business sectors' needs. Courses should cover the requirements through skills, but not the basics, namely students should receive sufficient amounts of accounting theory and knowledge. This same group of academics disagreed with the influence of the work environment on the curriculum. They claim that after students learn the basics of and theories in accounting, then courses could deliver other specialisations that are required by the business environment. Furthermore, the head of the accounting department in one university argued that accounting is a profession that develops by practice in the work environment. Students should first build their theoretical knowledge in the universities, and then develop this knowledge in the workplace.

*“It is well known that accounting is a profession rather than a theoretical science, I agree to this statement. But when teaching students the correct amount of knowledge, which is supposed to be received at the university, the student will be able then to learn the skills from the work environment. The student has to take the complete scientific cycle.... Then his responsibility transfers to the employer. The responsibility of the labour sector is that they now have a prepared student, in terms of the theoretical basis, that they are ready to invest in through teaching him what he needs in terms of practice ... . Such as the doctor, he has to undertake the theoretical basis and then comes down to the field to treat people professionally. First, they should establish the scientific theory then they can be sent into the field to gain practical experiences.” (Academic P.3)*

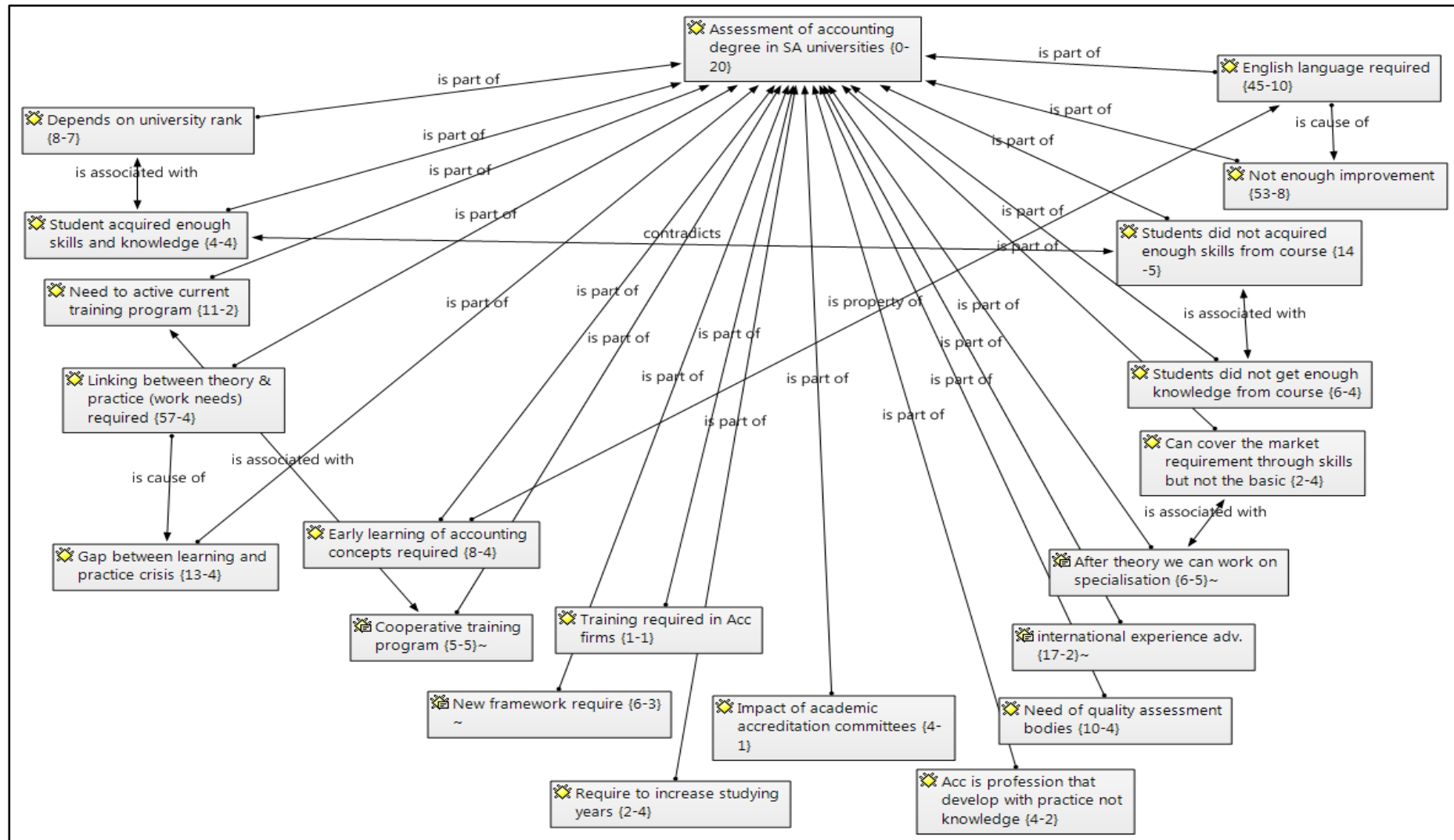


Figure 5.8: Assessment of Accounting Degree in SA

Some participants believe that course-studying years should increase. This could provide an opportunity for students to practice accounting asymptotically to what is in the work environment, allowing them to be trained in accounting firms or accounting departments in business sector organisations. Some universities operate a programme called the “Cooperative Training Program” mentioned previously, in both the academic expectation and student assessment skills categories. Universities integrate this programme into the accounting course, however some participants still think that the programme has not worked, as it should have been able to achieve its intended effectiveness.

Some participants emphasised the importance of linking learning and practice in order to avoid a crisis in accounting jobs. They believe that financial crises are somehow connected to the accounting education system.

*“The education system should focus more on graduating students who are compatible with the requirements of the labour market. The mystery of working in the accounting profession is that the person who works in this field has to really excel in the profession because it will appear from the beginning. Graduate students of adequate quality are important and serve the evolution of the profession in SA ... . Accounting is not like any other profession that it is possible that the person learns over time. The accountant has to be qualified from the outset. The profession cannot afford mistakes. Accounting errors that occurred throughout history and toppled some of the international companies were due to their accounting systems failing ... .” (Profession P.1)*

In order to avoid this dilemma, students should be prepared well for real work. Some academic and employee participants mentioned the requirements for quality assessment bodies. They believe that these bodies could improve the quality of accounting education output by developing specific standards that should be followed by the universities to

increase the graduates' quality. In addition, these bodies could create quality standards between universities that teach accounting in SA. The professional representative mentioned previously the problem of the lack of uniformity in accounting curricula. He argued that some universities comply with the minimum requirements of knowledge and theories in accounting subjects, thus their outputs of education are not good enough. Therefore, the presence of bodies that assess the quality of output will help somewhat in the unification and increment of graduates' quality level.

Some universities have begun to adopt what are known as academic accreditation committees. The function of these bodies is to follow-up the needs of academic programmes and configure the mechanisms that help to ensure quality through the evaluation of programmes and departments, in order to achieve their goals. In addition, linking them to evaluate the mechanisms adopted by well-known agencies in accordance with international standards.

Moreover, some participants found that employing international experience could improve the system by extending a bridge of cooperation with prestigious universities elsewhere in the world, in order to take advantage of their experiences and views in academic system assessment. Adding this international experience could elevate the required scientific level of university graduates; hence reaching a level of compatibility between the university outputs and the labour market requirements.

#### **4.4 Overseas graduates**

The scholarship programme in SA has contributed, during the last ten years, to increasing the number of graduates from different universities worldwide. This programme was launched by the late King Abdullah bin Abdul-Aziz Al Saud to support the Saudi universities and governmental and private sectors. The programme contributed to the development of

scientific qualifications in SA by attracting international expertise in various scientific and academic fields. This programme has had an impact on the educational system in SA, as acknowledged by the academic participants.

*“From my point of view, I find that it is possible that students studying abroad could enhance the accounting education system in SA when they return. Because of the different learning methods and applications that are followed in some developed countries, such as the United States, United Kingdom and Canada, in the field of accounting. Studying abroad differs from studying in SA because the student qualifies well for the skill of researching, analysis and deduction, and not the indoctrination method that is followed in SA. Added to this the student can get a comprehensive and close view of what is being applied in real practice. Also, it gives him the opportunity to apply the standards and principles he has learned in theory.” (Academic P.5)*

This study will review briefly the programme outputs of overseas accounting graduates in the past few years and compare them with graduates of universities in SA. The first notable advantage, as academics and employers stated, is that overseas graduates have a good English language background, see table 5.14. Although one academic said that the only distinguishing thing he found in the overseas graduates is that they are good in English. Academics and employers found that overseas graduates carried more developed knowledge and they are better at being involved in the work environment. They also believe that these graduates have a better ability to link the theoretical study and the actual reality of the work environment. The professional representative attributed this to the fact that the curriculum in other international universities is best in terms of continuous updating in line with the work environment. Added to this the professional representative believes that universities abroad follow the unified book policy, which contributes to increasing the quality of graduates.

<u>Sub codes</u>	<u>A</u>	<u>B</u>	<u>E</u>	<u>P</u>	<u>S</u>	<u>Total</u>
1. Scholarship advantages	2	0	0	0	0	2
2. Good impact of overseas graduates on improving the profession	1	0	0	0	0	1
12. Overseas graduates more adequate (received new developed teaching methods)	4	1	0	0	0	5
3. Overseas graduates import new experience	3	1	0	0	0	4
4. Overseas graduates good in English	3	2	0	0	0	5
5. Overseas graduates only good in language	1	0	0	0	0	1
6. Overseas graduates better education & knowledge	7	2	0	1	0	10
7. Overseas graduates good work skills	3	4	0	0	0	7
8. Overseas graduates less gap between theory & practice	3	2	0	0	0	5
9. Overseas graduates good unified books & curricula	1	0	0	1	0	2

**Table 5.14: Overseas Graduates****Theme five: Business sector overview in SA**

The fifth theme in this study is the "business sector overview in SA". This theme divided into two core categories: *work environment needs* and *responsibilities of the business sector*. The study reviewed the business sector's needs, expectations and responsibilities. Participants in this group are represented by human resource managers and recruitment managers of five organizations in the business sector in SA. This group includes three human resources managers from the two most popular banks in SA (The National Commercial Bank and Al Rajhi Bank); an HRM from the Abdul Ghani Hussein Trading Group in Madinah, one recruitment manager from a private financial services group and recruitment managers private travel agency company.

**5.1 Work environment needs**



The first category in the business theme is an overview of employers' work environment needs. Some employer and employee participants and the professional representative agreed that current graduates are not adequate for the work requirement. This code appeared also in another category (Assessment of Student skills) see table 5.15. The reason for including this code under this category as well is to illustrate the status of current graduates and their relation to the current work environment needs in SA. It has been indicated in the previous category that current graduates are not fully adequate to work environment needs as affirmed by some participants.

<u>Sub codes</u>	<u>A</u>	<u>B</u>	<u>E</u>	<u>P</u>	<u>S</u>	<u>Total</u>
1. Not good enough for market requirements	0	6	4	1	0	11
2. New framework require	1	3	1	1	0	6
3. Lack of training	6	9	13	2	25	55
4. Business provides training according to their needs	2	4	2	0	0	8
5. Graduates able to involve work environment with training	0	0	4	0	3	7
6. English language required	12	7	9	0	17	45
7. Business require more IT skill than theory	1	2	0	0	1	4
8. Business require both theory knowledge & professional qualifications	0	0	3	1	0	4
9. Consequences of IT in accounting	0	3	2	0	0	5
13. Linking between theory & practice (work needs) required	12	8	26	2	2	50
10. Accuracy & promptitude required skill	2	4	3	1	0	10
11. Team work skill required	4	5	2	0	0	11
12. Analytical skill required	4	3	2	0	0	9
13. Calculation skill required	6	4	7	1	0	18
14. Professional qualification can provide better job opportunity	1	3	0	1	1	6
15. International experience adv.	6	5	5	1	0	17
16. Require to adopt IFRS	3	3	0	1	0	7
17. Sufficient business background required	1	4	1	0	0	6
18. Need cooperation (education, business, profession)	5	4	0	1	0	10
19. Need of communication between education & business	5	7	8	0	0	20

**Table 5.15: Work Environment Needs**

The business sector also confirms the situation of the work environment that follows the new framework (risk-unstable market) aspect. Lack of training is a code of this category, since part of the work environment needs, is student training. Some participants claimed that students are not getting the training that prepares for the work environments' needs. Consequently, some organisations provide training courses according to their needs in order to cover the lack of training in the university course.

*“We train the employee in accordance to our needs. We do not rely on the output of universities.” (Business P.3)*

Some employees and students confirmed that they can engage with the work structure by taking training that is offered by organisations.

*“From my experience, I can say that new graduates can be involved in the business environment in cases where they receive training on accounting systems and the nature of the work offered by the company before they carry out the work.” (Employees P.1)*

English language, as stated earlier, is one of the requirements of the business sector so it is included in this category. English language proficiency has become one of the priorities of the work environment in SA. Some graduates resort to taking additional courses in English language, so they can get an appropriate job that can meet their expectations.

In terms of IT needs, some employer and academic participants claimed that the requirement of computer proficiency has become more of a priority than the academic qualifications of the employee. Some companies tend to train their staff only on the accounting software that is used in the organisation, regardless of the employee's qualification in accounting. What only becomes important for these companies is that staff are able to use the accounting

software to finish the company's financial transactions. Accordingly, some employers have raised the issue that the total reliance on these accounting programs alone could cause a financial crisis for the company, since that not all programs are able to detect accounting mistakes.

*“Staff get training for about three to four months on how to enter the financial data in specific software. It is not important to understand the accounting terms or how such an accounting transaction should process within the program ... . Here financial disaster may exist in such a company. The program that is applied in that company is only an automated system, you must enter specific sets of data to it, and then it will perform the accounting operations. There is no human element to reviewing those data or ensure credibility. Also it can appear here exploitation and manipulation in the company's accounts, whether for an individual purpose or for the purposes of the company itself.” (Business P.5)*

Therefore, accounting as a professions needs people with both theoretical and practical qualifications to manage the financial matters of an organisation properly.

All groups of participants agreed about the importance of linking theory and practice in university accounting education. They found the current teaching method lacking in linking theory and workplace. An academic group participant commented that:

*“Academic education must be supported by practical training, so that we can have a graduate that is adequately qualified for the work environment.” (Academic P.7)*

A business participant also mentioned the gap between learning and the workplace and the lack of adequacy due to the missing link between learning and practice:

*“Universities produce graduates who do not meet the workplace requirements ... . They have a wide gap in terms of practical knowledge and the reality of the real working environment ....” (Business P.1)*

The employee participants were the most vocal in highlighting this issue. The reason for this could be that new employees are the most exposed to this lack of linkage between theoretical education and the workplace; they are the ones who most experience this circumstance. This issue is also one reason for choosing this category in this research, in order to highlight the problems faced when integrating into the work environment after graduation.

*“I faced several difficulties in integrating into work and trying to apply what I had learnt in the study environment. There is no consensus between education and the profession.” (Employees P.5)*

*“Curricula I studied were not linked to practical reality... . My study was purely theory and in Arabic, and I did not receive real examples ... .” (Employees P.1)*

*“University studies are not connected to the business environment and did not give a realistic example that related to the work environment even. The study was purely theoretical ... . In my opinion this causes students who have graduated not having any practical experience or knowledge that could support them when being involved in the labour market ... .” (Employees P.4)*

The professional representative suggested that combining training with the study course could help in linking theory and practice:

*“They may integrate the vocational training during the years of study, so that the student can build a bridge between theoretical education and vocational training to become more willing in the work environment.” (Professional P.1)*

A student group participant also gave feedback about the course he studied and mentioned the problem of linking:

*“Accounting programmes did not fully meet the requirements of the profession ... . The university should adopt sufficient practice and training programmes for students ... . Programmes should include the possibility of linking theoretical education and practical reality” ( Student P.16)*

In terms of the skills required in the workplace, participants believe that students need to acquire other skills that feature in the accounting profession, such as accuracy and promptitude skills, analytical skills and teamwork skills. In addition, academic and business participants and the professional representative suggested that professional qualifications could promote the accounting profession in SA. Moreover, as mentioned earlier, some participants considered that international experience could help to improve the profession. Furthermore, some academic and business participants and the professional representative believe that if SA completely adopts the IFRS this also could play a role in enhancing the profession by attracting international investment, which would encourage the development of experience and qualifications.

In addition, sufficient business background is also required within the business environment. Graduates need to have ample knowledge about the latest updates in the work environment and the current developments of business and the financial world. Likewise, preparing students in advance to take responsibility and to encounter the real work environment, in which they are expected to be involved, after graduation, could help in terms of improving the graduates' quality. Finally, academic and business participants and the professional representative called for collaboration between the bodies they represent. They said that,

accounting is a tool for economic decision-making. The concerned parties must cooperate for the advancement and development of the profession in SA. This call for cooperation between the education and business sector and professionals promotes the development of the profession and could raise the quality of the graduates.

*“Coordination should be established between different authorities (businesses, education, and the accountant’s professional body) to optimally prepare students to work in the business sector.” (Academic P.8)*

Academic, business and employee participants believe that cooperation with business could help in terms of preparing students, as well as helping companies in solving their problems.

*“The business sector in SA should cooperate with universities to train students by giving them practical experience in the field of accounting ... . The business sector should not refrain from providing the education sector with the information they need about significant problems they may face in the workplace, thus it could become possible for the education system to identify these issues and find the possible solutions to address them through scientific research.” (Academic P.6)*

The business sector sees the need for a cooperation strategy in order to locate the business sector's needs, as explained:

*“We need a comprehensive strategy that is based on cooperation between the different sectors (business, education and the accountant’s professional body). This strategy should take into account and determine the future needs and demands of the business sector. This relates to what is the required tasks and duties for an accountant that he should work on; also determine the*

*knowledge, experience and skills required from the graduate so he can perform his new duties and tasks.” (Business P.4)*

Participants believe that through this cooperation it is possible to achieve harmonisation and coherence between theoretical knowledge, gained by the student in university, and practice. This can be achieved through notifying the education sector about the requirements of the labour market. Furthermore, SOCPA should provide the education sector with the latest updates in professional accounting standards and regulations. The duty of SOCPA is to raise the awareness of the accounting profession, which in turn could nurture the development of the accounting profession in SA. It is essential to raise awareness by providing courses and seminars about the latest updates in professional developments and educating the community about the importance of the profession to the country's economy. Furthermore, this cooperation, education and awareness raising could also lead to the improvement of how graduates interact with the work environment.

## **5.2 Responsibilities of the business sector**

Academic and business participants and the professional representative suggested that employers should determine their needs in terms of graduates' adequacy. In other words, a communication bridge should exist between business employers and education. See table 5.16

*“The business sector should list their requirements, then in turn the accounting departments in universities can create outputs that cope with these requirements of the business sector.” (Academic P.8)*

*“If the requirements of the labour market and what is being done in there is determined, this will have a positive impact on output because it will help to establish the curriculum on a clear basis.” (Academic P.5)*

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Business should locate the work needs	11	3	0	1	0	15
2. Business should support students	11	0	0	0	0	11
3. Business should support Acc research	4	0	0	1	0	5

**Table 5.16: Responsibilities of Business Sector**

Although business environments are not stable, business should update the education system frequently about changes in order to produce outputs that adequately suit their requirements.

Academic participants believe that employers should be more involved in graduates real training. In other words, when sending students into the work environment employers should train them to function in real-life situations in the work environment, instead of simply assigning office tasks to the students, such as file arrangement and customer reception, which is not training students effectively. Such practices contribute to students not taking full advantage of the training period they spend in an organisation. Some organisations, such as banks, consider that their work is highly confidential therefore students are not allowed to be involved with it. The tasks they assign to the student has nothing to do with what the student should actually learn from the work environment practice. Therefore, the student comes out with little benefit from the training period. Academic participants and the professional representative agreed that this type of training contributes to the education gap between theory and practice in the work environment, in accounting study. Moreover, academics and the professional representative were in agreement that the business sector should participate in accounting field research and support it as well. By their participation,



the education sector would know more about developments in the work environment and how to proceed with students' learning.

### **Theme six: Evaluation of new employees**

"Evaluation of new employees" is the sixth theme in this study. The employees who participated in this research represent four organisations in the business sector. Five participants from the banking sector, one from Abdul Ghani Hussein Trading Group, one employee from a travel and tourism company, one participant from a private financial services group. All participants are working in accounting and finance departments in their companies. This theme divided into two core categories: *new employees (graduates) efficiency* and *employees' alignment and work environment challenges*, it is important to study new employees' work adaptation in order to evaluate their adequacy to the work environment needs, see Figure 5.9:

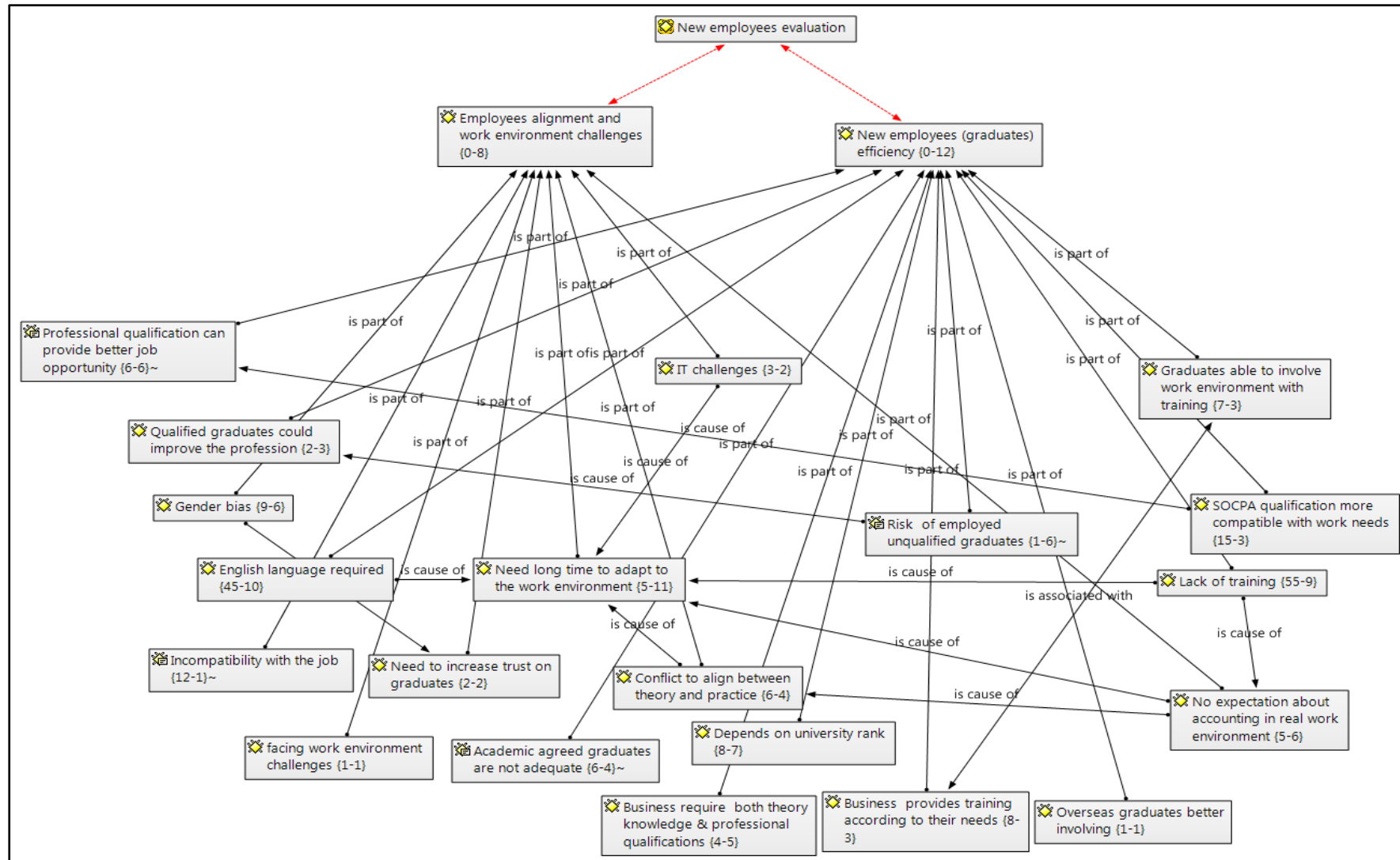


Figure 5.9: New Employees' Evaluation

### 6.1 New employees (graduates) efficiency

In terms of the efficiency of accounting employees, some of the academic group participants admitted from the beginning that university graduates are not adequate to the work needs. Therefore, new employees could be affected by this statement, as they were at one time also graduates. There are a number of reasons for this see table 5.17: , one being that employees agreed about not receiving sufficient training courses during their studying course, which in turn affects their efficiency. They believe that lack of training, during their academic years, creates a gap between what they learned during their university studies and the practice of accountancy in the work environment. The code lack of training stated before in both assessment of student skills and the needs of the work environment categories. Employees, also mentioned lack of training as a reason for their inefficiencies. Moreover, employees affirmed that if graduates received sufficient training during or after their studying course they would be able to more easily be involved in the work environment.

*“We did not have enough training that makes us qualified for the labour market ... . Students should prepare since their undergraduate study to accommodate with workplace and be able to link the theoretical background to the practice. This makes the student more ready for the requirements of the work environment and helps them to integrate into the labour market ... . This could be achieved by providing programmes and courses that contribute to increasing the knowledge and practice of the students of the meaning and practice of accounting in the real world. Which would also contribute to bridge the gap between practice and learning in the field of accounting.”*  
(Employees P.6)

On the other hand, some employees found that employers provide training courses according to their needs. For example, some banks train new employees in the accounting software that is being used in the bank. Also, other companies provide training courses for the employees

on the program that is applied in their financial transactions. This code has been stated earlier under the work needs category, also the disadvantages of this process were highlighted.

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Academic agreed graduates are not adequate	5	0	0	1	0	6
2. Lack of training	6	9	13	2	25	55
3. Graduates able to involve work environment with training	0	0	4	0	3	7
4. Business provides training according to their needs	2	4	2	0	0	8
5. English language required	12	7	9	0	17	45
6. Business require both theory knowledge & professional qualifications	0	0	3	1	0	4
7. Qualified graduates could improve the profession	0	0	0	2	0	2
8. Depends on university rank	2	5	1	0	0	8
9. Overseas graduates better involving	0	1	0	0	0	1
10. SOCPA qualification more compatible with work needs	1	5	5	4	0	15
11. Professional qualification can provide better job opportunity	1	3	0	1	1	6
12. Risk of employed unqualified graduates	0	0	0	1	0	1

**Table 5.17: New Employees Efficiency**

In regards to the requirement for English, staff found that English has become an important requirement in acquire an accounting job. The development and the openness in the work environment drives employees to learn English, as sometimes accounting departments in companies may include staff from different backgrounds. In these situations English is used to be able to communicate with others in the department. In addition, some companies may deal with foreign companies and employees need English to be able to review their financial reports.

One employee group participant found that in an accountancy job, the business environment requires both theory knowledge and practice. This was also confirmed by the professional representative, who declared that the accounting function cannot be complete without theoretical knowledge and practice being implemented together. He said that one of the reasons for the delay in the accounting profession's development in SA is the existence of the gap between academic institutions and practitioners; if there is a link between the two parties, it is possible to reduce the size of the gap and then advance the profession in the future.

Some academic and business participants believe that the students who have graduated from high ranking universities, or even foreign universities, possibly receive good learning and training schemes. Such universities depend more on linking between theory and practice in their teaching methods. Moreover, business sector participants believe that the employees who graduate from international universities are the best of their peers because:

*“Graduates of overseas universities have a wide circle of knowledge and good teamwork skill, so they are better than their peers who graduate from Saudi universities. Their educational background in English makes them more integrated with the nature of work and accounting software ... . There is not a big gap, but from my personal experience they are considered best in terms of integration.” (Business P.1)*

Some participants agree that professional qualifications could be a solution for the gap between learning and practice, in addition employers prefer their employees to have professional qualification. The professional representative stated that nowadays professional qualifications have become an important requirement in accountancy jobs, in order to close the gap between learning and practice that produces unqualified graduates. He also said that employees who have a professional qualification are more adequate to practicing accounting than others.

*“In my opinion, the staff who have a professional certificate are better equipped for the work environment ... .” (Profession P.1)*

Moreover, he assumed that unqualified employees could cause a financial disaster to an organisation in terms of lack of a lack of accounting proficiency at work. SOCPA believe that with the absence of professionalization in accounting, many accountancy characteristics disappear, which in turn may affect the whole system.

## 6.2 Employees alignment and work environment challenges

The first issue with the work alignment that some accounting employees are involved in is working in the wrong job position or a job that does not fit with their qualifications. Employee participants in this study believe that they were not employed in suitable positions see table 5.18. Some said that with the pressure to get a job, sometimes employees are forced to accept any job. After a period, the employee feels that the function of the job does not suit them in terms of qualifications and the functional tasks entrusted to them do not comply with their qualifications. As a consequence, the job becomes difficult to perform perfectly.

*“Former graduates are not employed in the right ... . If you employ a graduate in a place that is inappropriate to his background, it would be difficult for him to exercise the accounting work according to his academic background ... . I faced strong traumatisation when involved the work environment. The crisis made me suffer when I faced the workplace and caused aversion to me for a while on applying for a job in the field of accounting.” (Employee P.2)*

Therefore,

*“The graduate must be employed in the right place and give him tasks that fit with his specialisation” (Employee P.2)*

This statement has been described by employee participants when they were first involved in the work environment. For this reason employees may not acquire much experience from working in accountancy jobs. Female participants experienced this situation more than males. They believe that the amount of trust in women, working in accountancy, is low and they feel a sort of gender bias between them and the male employee.

*“From my point of view there is still prejudice in terms of women working in accounting. In addition, we are still suffering from society's perception about the profession. They think that accountancy is a profession that is specifically for males and not in the area of women's work ... .” (Employees P.3)*

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Incompatibility with the job	2	1	9	0	0	12
2. Need to increase trust on graduates	0	1	1	0	0	2
3. Gender bias	1	0	8	0	0	9
4. Need long time to adapt to the work environment	1	0	4	0	0	5
5. Conflict to align between theory and practice	0	0	6	0	0	6
6. No expectation about accounting in real work environment	0	0	5	0	0	5
7. facing work environment challenges	0	0	1	0	0	1
8. IT challenges	0	0	3	0	0	3

**Table 5.18: Employees Alignment**

In addition, employees described the term *long time to adapt to the work environment*. They feel that there is a lack of harmony within the work environment. Employees who have graduated from universities in SA notice that they take more time to adapt to the nature of work environment, more than other employees do. Some employees blame the universities' education systems, where the system does not provide them the opportunity to be in touch with the work environment during their course.

*“The insistence of universities in SA to teach accounting traditionally makes the education outcomes not compatible with the requirements and recent developments in the work environment. Consequently, we can find that graduates need more time to learn and even merge with the work environment.” (Employees P.2)*

Academics also did not support their teaching methods with practical examples from the working environment, which causes some conflict when trying to align between theories, they have been taught and actual accounting work. Moreover, employees claim that they did not have expectations about how to deal with accounting transactions in their real form. They blame this also on the weakness of preparation in terms of the skills that students should acquire during their university studies.

The employee participants found all of these reasons could affect their acceptance of the work environment and how they should cope with it. Overall, they are facing obstacles involving the work and found that it is difficult to deal with the new technology such as IT (applying accounting information systems).

### **Theme seven: SOCPA Overview (The professional body in SA)**

The seventh theme is about the "professional body in SA" - Saudi Organization for Certified Public Accountants (SOCPA). This theme divided into three categories. The first category is about the *evaluation of the profession in SA*, the second category lists the *responsibilities of SOCPA from other groups' perspectives* and the last category describes *SOCPA's perspectives about the accounting education and the profession in SA*. The participant in this group is the Secretary General of SOCPA, who previously worked as an assistant professor in the university sector.

#### **7.1 SOCPA evaluation**

There is some agreement about SOCPA towards the profession from other groups in terms of supporting students and research participation. However, some participants in this study found that not quiet sufficient See table 5.19. Academic group participants believe that



SOCPA resists change and the system of the profession did not develop for a long time to be more compatible with the change in the work environment.

*“From my point of view SOCPA suffers from resistance to change and unwillingness to transition to a new stage ... . The accounting body has existed in SA for quite some time now... . They have been dependent on the American standards (GAAP) from the very beginning... . I think that they thought the process of establishing the authority is a great achievement for them, they would not like to go to another stage that is big, as they feel that they are not ready for it as yet. Therefore, any change or update is a source of fear for them from falling in mistakes...” (Academic P.3)*

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Agreement about SOCPA role	8	0	1	1	0	10
2. SOCPA motivates, support students and offers introductory courses	0	0	0	2	0	2
3. SOCPA role on translation & research	3	0	0	1	0	4
4. SOCPA resist the change in Acc system	3	0	0	0	0	3
5. Lack of Saudi professional practitioners	3	4	0	1	0	8
6. Gap between university and profession	8	0	6	7	0	21
7. No participation of SOCPA in Accounting education	5	0	2	2	0	9
8. No link between SOCPA curricula & Uni curriculum	10	0	0	1	0	11
9. Only SOCPA course can prepare students for prof qualification	3	0	0	3	0	6

**Table 5.19: SOCPA Evaluation**

The unwillingness to change or update is the reason for the ineffectiveness of SOCPA’s role in the accounting profession. Another reason is that there is a lack of Saudi professional practitioners. Academic participants believe that SOCPA should encourage more students to get professional qualifications, See Figure 5.10.

In term of accounting education, academic and employee participants and the professional representative admit that there is a gap in relations between the university education system and SOCPA. A member of the academic group, who participated in this research, said in one of his interviews with an accounting specialist magazine that there is a gap between accounting education and professional institutions in SA, pointing to SOCPA. This gap causes disruption to the development of the profession in SA. In this research, he confirmed that again:

*“From the educational side SOCPA's relationship with the education sector in SA is very weak ... . Universities are working on a particular approach that does not serve the body and its tracks, but serves only the science that is studied in universities in general. We can say that there is a lack of communication between the two parties.*

*I frankly can say that ... SOCPA does not do anything to improve the level of accounting education in SA, in the sense that the body is a professional organisation that relies on accounting education outcomes; however, it does not contribute to accounting education, as it should... .” (Academic P.3)*

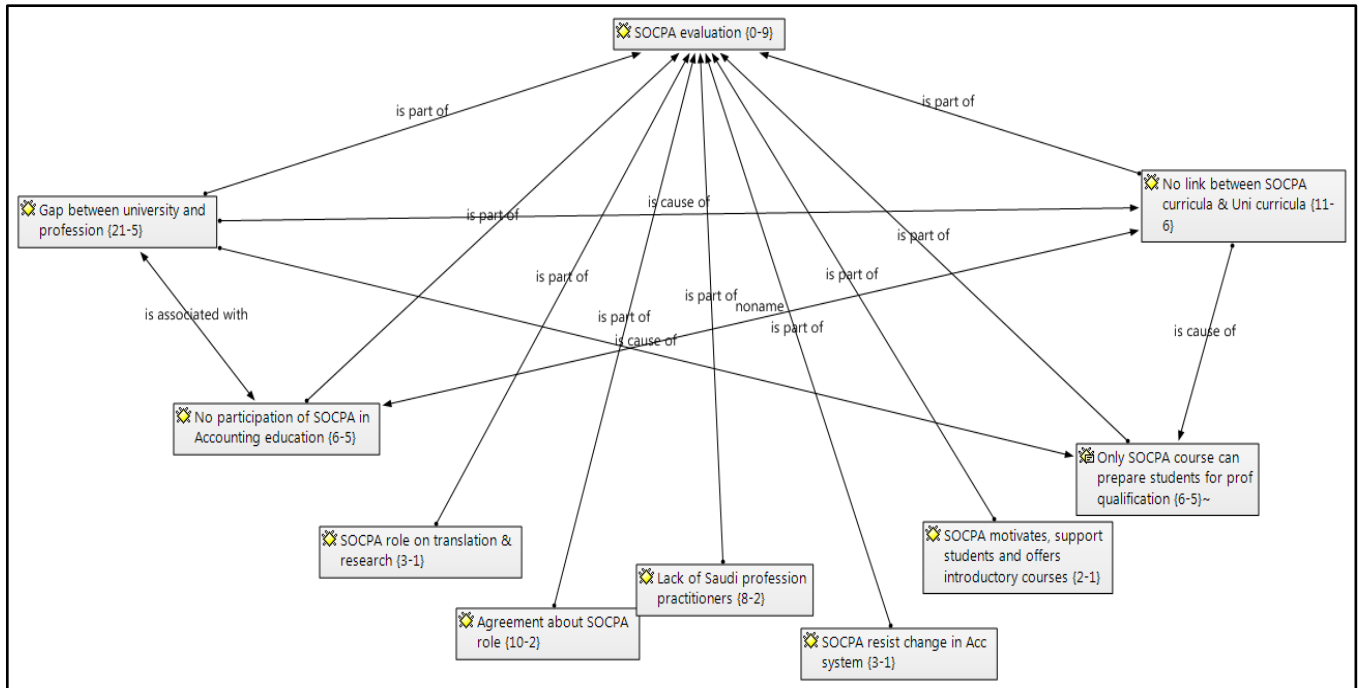
Although, some SOCPA members worked in universities or are still teaching there, but when the participants were asked they indicated that there is no relationship between both parties. Moreover, some academic members participate with SOCPA with regards to setting up the SOCPA qualification exam. This indicates that members from each party are working together in some circumstances. Nevertheless, when mentioning the participation or relations between them, in regard to improving accounting education, a gap exists between them. Previously, (see *Impact of motivation on academic staff performance*) SOCPA claimed that the reason that some academic staff are working for SOCPA occasional is because SOCPA rewards them and provides better motivation than the universities. So, academic staff tend to work in higher motivation environments. Some participants argued

that this unclear relationship should be taken advantage of in order to develop accounting education in SA.

What can be inferred from the above is that the existing relationship between the two parties is a relationship of the exchange of interests, but it does not serve the development of accounting education. It involves other interests between the two parties. If exploited properly it can contribute effectively to the development of the profession, as participants believed.

Even in terms of the curriculum, academics and SOCPA found that there is also no link between both curricula. Participants acknowledged that the test, adopted by SOCPA for professional certification, is not related to the curriculum that is taught in the universities and is therefore not helping the students to pass the test. SOCPA admits that graduates find it difficult to pass professional certificate exams without SOCPA training courses. In other words, students cannot pass these exams with their university knowledge background only.

*“There is no link between the two approaches... . The evidence is that according to my knowledge many of the students did not pass the tests more than once although they are accounting department graduates.” (Academic P.1)*



**Figure 5.10: SOCPA Evaluation**

## 7.2 SOCPA expectations

This section underlines the perspectives of SOCPA about the accounting profession and education in SA. From a professional perspective, SOCPA claims that accounting is a profession rather than having educational knowledge See table 5.20. This claim is not only made by SOCPA but also by some academic and business participants. Therefore, some participants are in agreement that academic staff need to obtain professional qualifications beside their academic qualification in accounting (alignment between academic and professional qualifications). This alignment would raise the level of academics' efficiency and would allow them gain the necessary expertise to develop their performance and skills to a sufficient level.

<u>Sub codes</u>	<u>A</u>	<u>B</u>	<u>E</u>	<u>P</u>	<u>S</u>	<u>Total</u>
1. Acc profession more than knowledge	4	3	0	2	0	9
2. Academics in need of professional qualification	2	0	1	1	0	4
3. The Integrating between Uni and SOCPA curriculum could bridge the gap	3	0	0	1	0	4
4. Professional qualifications could bridge the gap	0	0	0	1	1	2
5. SOCPA qualification more compatible with work needs	1	5	5	4	0	15
6. Professional qualification can provide better job opportunity	1	3	0	1	1	6
7. Need cooperation (education, business, profession)	5	4	0	1	0	10

**Table 5.20: SOCPA Expectations**

Some participants consider that employees, who have professional qualifications, could be more suitable to the workplace environment.

*“It is well known that those with professional certification are more efficient than their peers and have proficiency in accounting skills.” (Business P.2)*

*“Those with professional certification are always better than university graduates in terms of the adequacy with work needs.” (Business P.4)*

Consequently, academic participants and SOCPA in this study consider that the integration between university and SOCPA curricula could bridge the gap between learning and practice. As mentioned earlier the SOCPA curriculum depends more on real work problems, while the universities' curricula depend more on theories of knowledge. The professional representative. claims that if students want to get a professional certification, after graduating from university, this will play a major role in bridging the gap between learning and practice, and thus graduate qualifications become more in line with the requirements of the work environment. Even graduates can get better job opportunities.

Overall, cooperation between all parties - education, business, profession - involved in the accounting system is needed. Participants are aware about the problem of accounting education outputs, so they strongly recommended that a bridge of communication should exist between these three groups.

### **7.3 SOCPA responsibilities**

The second category in this theme is the responsibilities that SOCPA should work on to improve the profession in SA, from other groups' points of view. Academics believe that SOCPA should stay in touch with the education and business sectors. This communication would build a bridge between universities and employers' environments. Where the professional body is notified about the latest developments that occur in the work environment, it can then in turn can discuss these developments with the education sector and workplace environment to modernise curricula and teaching methods accordingly. Participants from other groups identified that training courses at SOCPA are bit expensive for students see table 5.21, so they suggest providing training courses for the students at low cost, in order to encourage graduates to take courses at SOCPA. Academic participants claim that encouraging undergraduates to obtain professional qualifications could support them in the workplace.

*“I hope from SOCPA to contribute more with undergraduate students, I ask them to conduct an introductory training course for students about the importance of the SOCPA fellowship and urged them to seek to get it before completing their graduate studies. Because if the graduates get a professional certificate after undergraduate it will refine their academic skills, and make them even more prepared for professional work.” (Academic P.7)*

<b><u>Sub codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. SOCPA should communicate with academics & business	2	0	1	0	0	3
2. SOCPA should train, encourage & support students to apply for membership	3	2	4		0	9
3. SOCPA should work on publications, research and translations	2	0	2	0	0	4
4. No aware of IFRS adopting	11	4	3	0	0	18

**Table 5.21: SOCPA Responsibilities**

Moreover, academic and employee participants suggested that the professional body should participate more in translation and publications in the accounting field, as mentioned previously, regarding the advantages of foreign books and publications. Due to the relative unfamiliarity with English in SA, translations of foreign books would help interested groups in accounting to get access to non-Arabic book resources.

Finally, when some participants were asked questions about IFRS adoption in SA, it was apparent that they do not have sufficient information about the procedure. SOCPA should work more to increase the awareness of IFRS adoption. Some participants suggested that they should inform both sectors about the last update in this area. Moreover, they should educate them by conducting conferences and workshops.

### **Theme eight: Influence of religion, culture, society, and others**

The accounting profession and education system is affected by its surrounding environment. The factors that could influence accounting as a profession and education in SA divided into five sections, See table 5.22, and Figure 5.11.

Firstly, the influence of culture and society. Some participants agreed that Saudi culture would affect the accounting education system from many aspects. One of the aspects mentioned earlier identified *students' predilections and intentions*. When students intend to study accounting at university their parents' desire could affect their choice. Sometime the parents' desire affects the student's outcome positively and other times negatively. One academic participant believes that the culture does not affect accounting as a science directly, it affects the choices of the student, hence his academic performance and then his academic outcomes.

*“Presumably, of the culture that it does not affect the science ... . Accounting as a science should not be influenced by a culture.*

*The person's decision is what could be influenced by the culture (culture factor affecting the student direction and then the quality of education). For example, the parent could choose for their son to study a subject and that the son does not want it. The parent could be a source of pressure to the student and could force him to join the industry that he does not like. Therefore, that could affect the quality of the student output ... .” (Academic P.3)*



<b><u>Codes</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>E</u></b>	<b><u>P</u></b>	<b><u>S</u></b>	<b><u>Total</u></b>
1. Influence of culture & society	7	2	6	1	0	16
2. Culture influence on female	4	0	1	0	0	5
3. Students lack of demand	2	0	2	0	0	4
4. No influence of society	1	2	0	1	0	4
5. Influence of religion	6	4	7	3	0	20
6. Global influence of religion	0	0	0	1	0	1
7. System updated according to religion	5	2	1	1	0	9
8. Cannot expand on topics that disagree with religion	8	0	0	0	0	8
9. No influence of religion	2	1	0	0	0	3
10. Influence of religion only on transactions	6	0	0	1	0	7
11. Influence of oil	1	2	2	2	0	7
12. Influence of IFRS on economy	12	6	0	2	0	20
13. Influence of IFRS on Edu	5	1	1	1	0	8
14. Big firms more developed	0	1	3	0	0	4
15. Small firms not-developed yet	0	0	2	0	0	2

**Table 5.22: Influence of Religion, Culture, Society, and others**

Even society's perceptions about the profession could affect a person's decision, by classifying the status of the profession in the community, and what is the appropriate gender for the work. This has been mentioned earlier under the gender bias code. Participants claimed that society is still not fully aware about the role of the accounting profession in the Saudi economy. The accounting profession is still, in the eyes of some members of the community, a second-class profession, where it is often a foreigners' job. This perspective affects the accounting system negatively and limits the spread of accounting graduates in some areas of SA. Some universities notice the lack of demand from students to study accounting. One of the reasons is the community's perspective towards the profession;

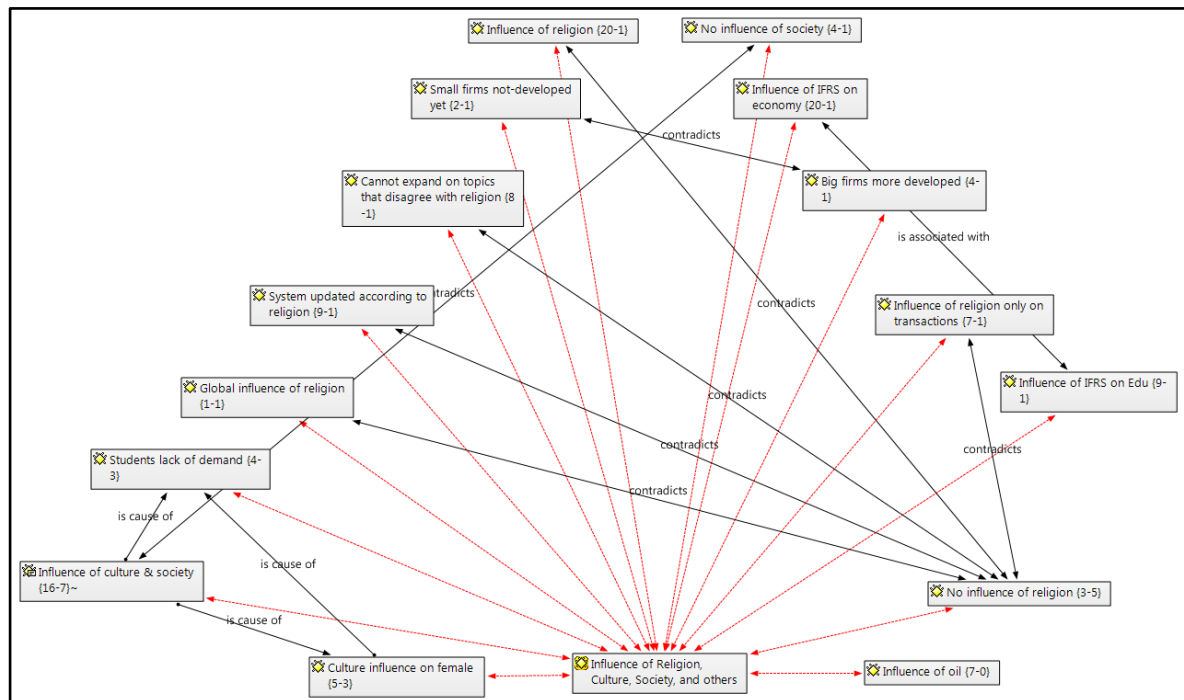
another reason is that increased accounting course joining requirements in some universities causes a lack of demand.

In terms of gender, some female participants feel that Saudi society still does not accept females to work in accounting. They claim that accounting is a male profession more than female. Even in the work environment the level of trust in female accountants is less than in the male. Female accountants are not permitted to perform all roles of accounting, luckily this perspective is beginning to disappear with the number of accounting courses increasing in Saudi universities, therefore increasing the number of female graduates. In addition, the bank sector is starting to offer more places to female graduates to work on different financial and accounting departments within the banks. Female participants intend to work in the banking sector because of this reason. On the other hand, some participants cannot see any influence of culture or society on the practice of accounting.

In terms of religious influence, participants divide into two groups in terms of acceptance of the term influence of religion. However, both group agreed about the positive influence of Islam (Sharia) on the accounting system in SA. One group agreed that there is an influence of religion (Islam) on the accounting system. The SOCPA representative claims that the influence of Islam is very well known globally. Within the educational aspect, some academics agreed that they cannot expand on topics that are not acceptable within the Islamic financial transition framework, such as interest and bonds.

*“Curriculum teaches the contents that are in the scheduled textbooks. Nevertheless, as long as we are in SA and it is an Islamic state that is ruled*

*by the Islamic Sharia there are some reservations to take interest and bonds yielding because of their non-compliance with Islamic Sharia... . Although universities are teaching this material but not like the expanded or the details, that have been described in the textbooks ....” (Academic P.1)*



**Figure 5.11: Influence of Religion, Culture, Society, and others**

Participants are susceptible to this trend and agree with it very much. The second category some of the participants were not very happy with is the subject of the influence of Islam on the accounting system in SA. These participants considered that this question is the kind of accusation that the Islamic religion has a negative effect on the development of the accounting system in SA. Their defence is that Islam does not affect the accounting system in SA; SA as a country is under Islamic Sharia law and any financial transaction or accounting should also be subject to the law of the country. As long as the Saudi state applies Islamic law, financial transactions should also be subject to this law.

*“Islam does not adversely affect accounting education .... (Academic P.3)*

Generally, all participants acknowledged that the impact of Islamic law on accounting transactions is positive, because of their belief that Islam always guarantees the individual's interest in all financial dealings or other dealings in life. Therefore, academics also did not have objections about the issue of their expansion of accounting topics that are incompatible with Islamic law. Their defence is that universities accounting education development should be established on the accounting practice of Islamic law in all financial transactions.

In terms of the influence of the oil industry, SA is a high-income oil exporting country (HIOEC). Participants identified that the accounting system should be influenced by the oil industry. They identified that the oil revolution has played a good role in the development of the profession in SA.

*“They must take a serious step to remedy this flaw in the accounting education. We are (HIOECs) because of the oil income, we must work seriously to take the advantage of that. The economic revolution caused by oil needs proper work to handle it in order to raise this country's economy”*  
(Business P.5)

Nowadays, SA is living in an era of good economic development. The country has become a fertile environment for investment, especially with rising economic awareness in recent years, and the accession of SA to the World Trade Organization. These factors have played an important role in the development of the accounting profession in SA, and has placed SA's accounting profession within the ranks of those of developed countries

In terms of organisation influence, business and employee participants suggested that the size of a company would influence its accounting system. Participants stated that accounting

applicable in medium and large enterprises is a more sophisticated than accounting systems used in small businesses. Often small enterprises tend to apply a simple and traditional accounting system and are not much interested in the implementation of accounting programs that are expensive for them. Some of the employees suggested that working in small enterprises could give the graduate good opportunities to learn the manual accounting system, and then they can move to more sophisticated accounting levels in large companies. On the other hand, some of employees indicated that small companies should start developing their accounting systems and follow the prevailing accounting system used in the medium-sized companies, so that employees would not face conflict when they move from one company to another in the working environment. Overall, employees who have experienced accountancy jobs in both small and medium companies suggest that the size of company could affect the applied accounting system.

## 5.2 Conclusion

In conclusion, this chapter illustrated the research result. A series of interviews were conducted with accounting *academics* (coded A), final year accounting *students* (coded S), fresh *employees* (coded E), *business* employers (coded B), and the *professional* body [SOCPA] (coded P). Eight themes emerged and each theme produced core categories and each core category consisted of sub-codes. Finally, network views were developed using ATLAS.ti 7 software. Some of the sub-codes had more than one relationship with other codes. The most highly stated code was “*Linking between theory & practice (work needs) required*”, which indicated the high intention of the participants to bridge the gap between learning and practice. The most noticed defects, noted by the participants in the university accounting programmes, were in terms of the lack of training and the need to integrate the English language in the current curriculum. The gap between academics and practitioners was cited

by the participants directly, although the researcher attempted to avoid any direct questions about it. But, it turned out that the participants are aware of the need to reduce this gap and open the door of engagement between the two parties for the development of educational accountability outcomes (graduates). Participants also pointed out the need to change the current curriculum because of its incompetence and its lack of being updated for a relatively long time. Finally, the participants also pointed to the influence of religion on the accounting system in SA: academically and professionally, although they did not see that there is negative influence on the profession in SA. The next chapter will discuss these results in more details with its related to the prior studies and theories.

## Chapter 6: Discussion

### 6.1 Introduction

The main aim of this chapter is to provide a summary and discussion of this research study. The purpose of this study was to detect whether the university accounting education in SA suffers from a gap between learning and practice, due to the rapid economic changes that have continually affected the business environment. In addition, the study needs to know whether there is a consensus between university graduates in SA and the needs of the work environment, according to what is mentioned in the Bedford Report (1986).

In order to achieve this, the accounting system environment in SA has been investigated and explored, starting from the universities' accounting education to the business environment. A series of interviews were conducted with accounting educators, students, fresh employees, employers, and SOCPA in order to collect their perspectives about the accounting education system in SA. Investigating the five groups' perceptions promoted the study to find answers for the research questions. Moreover, the objectives of this study were to identify whether the accounting curricula in Saudi universities need to change in order to meet the needs of the workplace.

In this chapter, the researcher will discuss the results obtained by this study. The debate is divided into three parts:

- Part I discusses the accounting academic system in Saudi universities that is included in this study. The academic system consists of three elements; educators, students, curriculum.
- Part II discusses the business environment, which is represented by business HR managers and fresh employees

- Part III discusses the professional side of accountancy, which is represented by SOCPA

The theories in this research focused on three aspects:

- I. The theories of profession emergence, and how it has influenced the evolution of accounting education. (Wilensky, 1964; Larson, 1977; Abbott, 1988)
- II. The theory of separation from the other party, in order to maintain the knowledge and the desire of not mixing with others. (Wilensky, 1964)
- III. The theories of the impact of social, cultural and political factors on the personality of the profession and its development within a community. In addition, to how a profession could acquire characteristics and selectors that arise in some societies. (Larson, 1977; Perera, 1989; Becker et al., 2009)

A review of these theories could lead to identifying some reasons for the emergence of the gap between learning and practice in university accounting education, and also how external factors may well affect the emergence and the development of the profession in a specific community. In addition, if these influencing factors are responsible for the emergence of the gap.

*All professions change over time. They adapt to changes in cultural attitudes and mores, to scientific discoveries and technological innovations, and to a host of other developments that mark the evolution of societies. In short, all professions adapt to transformations in human value and needs which give rise to them. Frequently, however, most of the institutions responsible for educating professionals fail to evolve as rapidly as the professional practice itself.* (Bedford Report, 1986, p. 171)



## 6.2 Accounting Academic System in Saudi Universities

In an attempt to discover this, the surrounding accounting education system was investigated through a series of interviews to illustrate the factors that could influence the educational environment and the accounting curriculum, as part of this system. Thus, the surrounding accounting education system could affect the outcomes of the accounting system (graduates) and their compatibility with the requirements of the Saudi business requirements.

The creation of “professionalization” is about groups of people who are considered to have common interests who meet to set up a circle of knowledge among themselves and share this knowledge with each other and pass through stages that create what is known as a profession (Wilensky, 1964). This group of people is connected with each other in what is known as the “Jurisdiction” which was interpreted by Abbott (1988) in the theory of the emergence of professionalization. The success of a profession depends on the strength of the ties that bind the parties in the group.

Consequently, accounting as a profession has passed through these creation stages until it has been shaped as a profession. Thus, according to Wilensky (1964), accounting originated in some communities as a profession before taking academic shape in the universities. Although, Ben-David (1965) and Bledstein (1976) had different stories from Wilensky (1964), the purpose of following Wilensky is that it illustrates the emergence of the accounting profession in the USA and the appearance of university accounting education. On the other hand, the situation was different in SA, where accounting emerged as an academic subject before the establishment of the professional body, SOCPA. The researcher's belief is that this could give accounting in SA more academic characteristics than professional ones.

The results of this study reveal that nowadays there are a large number of universities in SA that offer accounting courses (and the number is increasing); however, there is still only one

professional body (SOCPA). The majority of the graduates obtained their qualifications from university education, and there is an increase in demand for university accounting education. In addition, most of the university educators (even the lecturers) also obtained their qualifications from university education. Very few of the lecturers obtained professional qualification; in this study sample only one academic has obtained professional qualifications. Finally, the history of SOCPA's emergence affirmed that the group who established SOCPA were the first university educators in SA and most of them obtained their qualification from American universities (see Introduction and Background Chapter). Thus, accounting in SA, as a profession, has been influenced by academic characteristics more than professional ones. The assumption is that the dominance of the academic environment in SA has lead SOCPA to create its own environment and separate from academics. Academics, in the study, confirmed that SOCPA is a separate entity, and most of the participants did not have sufficient information about how SOCPA works. The absence of participation in university accounting education is encouraging academics to become independent entities as well.

The separation that happened later between the academic and professional groups, in accounting, could explain the reason for the gap between learning and practice in accounting. Both groups have goals and objectives which they want to retain, considering that each group adopts a certain ideology and beliefs (Bloom et al., 1994). The remoteness of university education from the professional association (SOCPA) has caused a gap between the university and work environments. Academics main focus is the textbook, which results also indicated suffers from being outdated and lacking appropriate resources. This in turn, affects the academic teaching method (traditional teaching method), hence the quality of the graduates. Perhaps, the “link” or “Jurisdiction” that Wilensky and Abbott mentioned also affects the relationship through the tendency of the dominance and exclusion of others who

do not share the same knowledge and beliefs of the group. Which also gives rise to create a climate of competition between the two groups.

Results in this study prove the “schism” in the accounting system in SA between university educators and the professional body - SOCPA. AlMotairy (2014) in the 8<sup>th</sup> Annual Forum of the GCC Accounting and Auditing Organization stated that, *“Every Business school has its own approach toward accounting education without the involvement of SOCPA!”* This is consistent with this research's results and describes the state of accounting in SA.

The unexpected result driven from this research is that educators in SA are seeking to involve professionals in the accounting educational process. Raising awareness of developments of academic accounting thought to the academics in SA is due to some of them simply having experience in the work environment and being affected by the thought of separation between the two groups. Thus, they acknowledge that the students should have a sufficiency of both professional and theoretical knowledge. Later, in the work environment section a review of the opinions of some employers' and new employees' experiences, proves their dissatisfaction with the level of quality of educational outcomes and the difficulties they face, will be presented.

Accounting educators acknowledged that in order for university education outcomes (graduates) to meet the requirements of the work environment there must be collaboration between the profession (SOCPA) and educators. This finding is consistent with those of Burton and Sack (1991), Kullberg et al., (1998) and Parker et al., (2011) who all call for collaboration, as a solution.

Educator participants admitted to the existence of the separation between the theoretical and practical side of accountancy and that this has had a negative impact on the educational outcomes. A small group of educators indicated the need to adhere to the theoretical aspect and that students should receive an adequate amount of accounting knowledge theory.

However, at the same time this group also agreed that there should be a bridge of cooperation between academics and the profession for the success of the educational system outputs. The separation of the academic side from the professional side in accounting education, in a sequential manner, has an effect on the development of accounting education thought. Hence, accounting as practice profession needs both academic knowledge and practice. In addition, this statement has been endorsed by academic participants. As they show high intentions to merge between academic and professional, as they believe this will improve the education outcomes and as a consequence meet the requirements of the work environment.

Accounting education in SA grew up under the umbrella of American accounting system thought for several years (Anglo-American model). According to Abbott (1988), American professional thought is based on the separation of the professional and academic sides, where the relationship between the two should be “inevitability”. American accounting education system thought has had its impact on the formation of the professional and academic framework of accounting in SA for years, both academically and professionally. Participants believe that this situation has had a somewhat negative impact on accounting education in SA, and the profession in general. In addition to the separation thought, Al-Nafea (2005) explains the reason behind this, which is the weakness of American accounting education and training programme. This weakness reflects the ineffectiveness of this programme in SA. The shortcomings in the American programme is indicated by other researchers (e.g., Barefidd, 1991; Poe & Bushong, 1991; Previts, 1991; Albrecht & Sack, 2001; Heffes, 2001). Returning to the earliest research in accounting education, researchers such as Rittenhouse (1980) criticised the American Institute of Accountants (AIA). At some point, American thought sought to separate learning and practice in the profession. Rittenhouse (1980) identified that according to CPA examination results the AIA had no contact with the

universities. Failure to make such communication or collaboration between the universities and the profession was creating the gap between learning and practice. Reviewing accounting history, the USA was the first to establish university accounting education in the 1900s (Bloom et al., 1994); they sought to cover the demand for accountants by offering the accounting course. They neglected the role of the first practitioners, who applied accountancy, and preferred to separate from them and establish their own accounting education characteristics.

However, researchers tend to not blame the American attitude solely, because accounting is a profession generated according to the needs of society and accounting in SA is influenced by other factors that could affect its status. Moreover, the profession adopts society's characteristics. The findings show that there is a tendency to adopt the British accounting system in SA, both academically and professionally. Academically, universities have begun to adopt a British accounting curricula and professionally SA will finish adopting the international accounting standards IFRS by 2017 (results gave no indication if this would impact the accounting profession in SA or not). These findings suggest that accounting education in SA has suffered from the effects of the gap between education and practice, and has begun to take serious steps to replace the current system with another to possibly ensure that education outcomes (graduates) correspond to the requirements of the labour market, besides improving the status of the profession in SA. According to Bloom et al., (1998) the Anglo-American model for the accounting profession, to the extent one exists in the USA, has had a low status.

The results revealed that educators encounter factors that stand against the reorientation of the accounting educational system in Saudi universities. The researcher found that these factors have stemmed from the impact of the lack of development of accounting thought in SA for several years and in addition to the impact of American accounting thought, that is

built on the theory of separation between the educational and the vocational (Abbott, 1988). Consequently, the researcher's belief is that these factors are possible signs of the presence of the expectation gap between learning and practice in SA.

The first of the factors that influence the evolution of accounting in Saudi universities is the lack of practical experience and professional background of academics. Research results indicate that the lack of a professional background of faculty members has caused a gap in accounting teaching methods. Accordingly, the information that is delivered to the students becomes incomplete (superficial) due to the lack of support of theoretical knowledge by professional knowledge. Moreover, the researcher found that educators have high intentions to obtain professional qualifications, as they believe they will enhance their teaching methods and their relationship with the business environment. According to Retief Venter and de Villiers (2013) academics prefer to obtain a professional qualification rather than an academic one, *“If someone asked me today to sacrifice my CA qualification or my PhD, I would give up my PhD any day”* (p.1248).

The SOCPA general secretary concurred with this view and said that his professional qualifications add more to his background than the academic ones. Ghartey (1994) said that individuals who combine academic and professional qualifications would benefit the development of accounting and economics. However, in the case of SA, the educators only choice available to them is relying on the theory curricula - “classical curricula” - that is provided by heads of department of the accounting schools. Indeed, research results indicate that there are not many opportunities for academics to select and develop the curricula. Some of them even pointed out that they have no authority to choose the curriculum.

Hijaazi (1981) investigated the accounting environment in SA and claimed that there was a type of restriction about accounting education in Saudi universities. According to AI-Nafea (2005), Hijaazi (1981) did not illustrate the concept of restriction in Saudi accounting

education very clearly. The research results from the current study could indicate the reason behind this restriction. Accounting educator participants claimed that there is a centralising of decision making regarding the creation of the curriculum. Not all educators can participate in the process of creating the curriculum, only a chosen few can give their opinions. In addition, the researcher found that religion has an influence and is a factor that causes some restrictions regarding curriculum topics. Findings from the results indicate that the educators are facing limitations in teaching accounting topics that are against Islamic Sharia. However, the research results indicate that this influence of religion is not affecting the accounting system negatively, as SA is an Islamic country.

The researcher found that another type of restriction is also affecting accounting educators' performance. The lack of motivation in Saudi universities is affecting academic performance, hence the quality of the educational outcomes. Researchers, such as Ostroff (1992) and Kayuni and Tambulasi (2007) corroborate this finding about the impact of lack of motivation on student outcomes. Other researchers, such as Rowley (1996) and de Lourdes Machado-Taylor et al. (2014) emphasise the importance of academic staff's motivation in higher education, they claim that the performance of the academic staff impacts the students' directly. Whenever there is less satisfaction and motivation there is ineffectiveness in the teaching methods of academic staff. The findings from these researchers are consistent with the present research's findings. According to Siddique et al., (2011)

*Teachers are the makers of students. They are those influencing personalities and role models, who refine their students' skills and polish their personalities and make them responsible citizens and leaders for tomorrow. So, leaders can use various intrinsic and extrinsic motivating factors to motivate faculty members, so that they can put their extra efforts to produce bright and successful students ... . (Siddique et al., 2011, p.185)*

All the above results from this research (the separation, professional identity, and motivation) indicate that the status of accounting educators in SA is affecting their effectiveness. In turn, their teaching methods are affected as well. The research findings identify that accounting teaching methods, in Saudi universities, are dominated by the classical approach. What has not been noted in previous studies is why academics are still, until now, following this classical or traditional approach in the teaching methods of accounting. The results of this research, conducted in SA, point out that the reasons for the spread of traditional teaching methods are as follows:

Firstly, the disengagement that took place between academics and professionals since the emergence of accounting and affected accounting thought sequentially (SA was influenced by American accounting thought and later, researchers discovered its defects). Added to this is that the emergence of accounting in SA started through the universities (academically) and then appeared professionally through SOCPA. This gap has worked to build a separation between academics and professionals in accounting and has accordingly broken their relationship.

Secondly, the lack of professional background of faculty members, although there is the existence of tendencies by some academics to obtain professional qualifications. This finding is in contrast with Moehrle et al., (2009) who claim that there is less attention from academics towards professional concepts. Academics in SA show high intentions to merge between the academic and the professional, as they believe this will improve the education outcomes and as a consequence meet the requirements of the work environment.

Thirdly, according to the results of this study the lack of incentives influences academics significantly. This matter has reduced their quest to develop themselves and thus their teaching methods. There are even some “investigative journalists” in newspapers who indicate that the lack of incentives encourages academics to leave the university and



transition to other sectors with the presence of lucrative returns in SA (Alriyadh, 2005; Al Anzi, 2008; Moghamesee, 2014; Makkah, 2015). This has also been proved in this study and other international studies such as that of Siddique et al. (2011) who state that, *“If talented and competent staff members are not motivated enough by their supervisors, and if they are not happy with their job, organization and management, then they may leave the organization”* (p.185).

Consequently, these above mentioned factors affect the students as they are part of the university accounting education system cycle. Whatever factors affect the performance of the academic staff could affect their students.

The study indicates that students in SA are receiving superficial learning approaches. The gap between students' needs and academic provision has been previously identified by Millis and Cottell (1992) and they argue that it is the reason for the superficial learning approaches. However, this research's results indicate that other factors exist that cause the superficial learning approach in SA, including the lack of practical examples and the outdated curriculum. These factors affect the students and their compatibility to meet the requirements of the work environment. The research results also indicate that studying accounting is not taken as it should be in SA. Academics care to deliver the theory knowledge to the students without focusing on linking it with the practical reality. With the absence of motivation, academics do not care much about the development of their style or teaching methods to a manner that is consistent with the evolution in the work environment. Accordingly, the gap is generated on the one hand between education and practice and between students and academics on the other hand. The student's goal becomes only getting the academic qualification without a serious desire to study accounting and then work in the appropriate field. Thus, generations of graduates have arisen who have found many difficulties and

obstacles when trying to integrate into the work environment, due to lack of contact with the business environment.

This research found that the “American 150 hours training approach” has also affected students' learning (American thought). The students in SA state that they do not have enough practical training during their study, except in the final year before graduation, which identifies the ineffectiveness of their study for the graduate. Fresh employees confirm that this lack of training is affecting their performance while practicing in accounting. Universities in SA have turned to applying the cooperative training programme, which seeks to construct a link between universities and the work environment. The programme is implemented through all years of study and not only in the final years as previously; although it has still not proved its efficiency yet, as participants claim. This trend, by universities, proves the failure of previous programmes and their inefficiency in the production of graduates who match the work environment requirements which has been proved earlier by AI-Nafea (2005).

This research has identified unexpected factors that affect the state of students in SA. One factor is the absence of the use of English in the accounting education system. Participants claimed that English language ability, besides IT skills, has become one of the most important requirements for the work environment. Indeed, SA is a HIOEC living in the centre of the industrial and economic revolution, which requires it to communicate with the world in order to ensure its continued economic growth. After the accession of SA to the World Trade Organization it has become an urgent need for the business sector to engage with the business world and corporate sector. Thus, the need for English language skills has become urgent, as it is the language of communication with the outside world. The English language is the dominant language for business (Kinsella, n.d) and other research, by non-

English speakers such as Almajed and Hamdan (2015) supports the importance of English in studying accounting,

*The study shows the importance of the English language acquisition to make it easier to attract sciences from various countries of the world ... as the fact that accounting concepts are internationally unified by the International Accounting Standard Board (IASB) ... .* (Almajed & Hamdan, 2015, pp.24-25)

Almajed and Hamdan' study also found that the level of students' English language proficiency affects their performance in accounting courses as long as all accounting courses are English books. Since the global trend is now to adopt the English language for business subjects, participants from all groups insisted on the integration of the English language into accounting courses in order to enhance the education outcomes and hence meet the requirements of work environment.

The researcher has already discussed academic motivation and its importance in the university work environment. Nevertheless, linking academics' motivation to the reasons for the emergence of the gap is somewhat of a new event. The difference here is in this case, that has been applied in SA, is that the level of recognition and awareness of the gap's existence is high. However, the reasons for the emergence of the gap are not fully consistent with previous studies (e.g., Elliott, 1991; Cottell & Millis, 1992; Ehrenreich & Hulme, 1992; Novin et al., 1997; McCartney et al., 2002; Broome & Morris, 2005; Siegel et al., 2010) which have explained the technical and academic factors for the existence of the gap between learning and practice. Saudi Arabia is a closed society (see Chapter 1 –Saudi Context), therefore cultural and social factors affect it significantly. This current study focused more on social and cultural factors (internal and external), which are some of the reasons for the emergence of the gap in SA, they are also the obstacles that have prevented the development

process. In addition, this research has also highlighted the academic and technical reasons that have been reported in the previous studies.

In terms of the readiness of the student to work in accordance with labour market requirements, the research results indicate that the predilections and intentions of the students, related to the existence of the gap between education and practice in SA, is a new event. This research indicates that students' predilections and objectives could affect the student's grade during the course, either positively or negatively. If the accounting subject is the preference focus of the student from the outset, and there are no other influences that forced him/her to join the course, the student's educational attainment will increase and they will have room for creativity and good achievement. Since, this study is based on the relationships between the factors and linking them to each other, the researcher discovered that the students' intentions and predilections affect their education achievement. Academic participants said that the level of student achievement and their wish to gain knowledge of accounting, depends on their predilections. A study conducted by Reid et al. (2005) investigated mathematics students' intentions and predilection, approaches and outcomes and found a parallel relationship between student predilection and their learning outcomes. Students admired the skills they acquired from studying maths and had “intrinsic motivation” to develop a mathematical way of thinking and looking at the world (Reid et al., 2005).

In other words, students who have inner willingness and predilection to study mathematics would like to apply it in their life professionally or academically. Although, Reid et al.'s study (2005) was not about the accounting student, but the researcher found that mathematics and accounting are very close disciplines and they share some technical skills such as “problem solving and calculation”. Even Solomons Report (1974) emphasised the “*value of*

*required coverage within the curriculum of mathematics, statistics, economic, behavioural science, and other allied disciplinary prospective” (Wilson, 2014, p.238).*

Moreover, some students in this current research mentioned that they joined the accounting course because of their interest or “predilection” for mathematics. The results of this study are consistent with the part of Reid et al.'s research finding about students' predilection and intentions affecting the outcome. Reid et al.'s study (2005) was about students' intentions, but this study's findings indicate that student intention is in addition to other factors that affect their outcomes. Overall, student intention and predilection could be an enchantment factor that could play a role in increasing the quality of accounting graduates, hence minimize the gap in accounting education in SA in terms of producing accounting students who meet the workplace needs.

According to Azjen, (1991) in the theory of planned behaviour, intention is an indication of how much effort people are ready to spend in order to achieve a particular goal. Azjen and Madden (1986) claim that there are several factors that could influence the intended behaviour act. These factors could be internal (skills, abilities, and planning) or external (time, opportunity, and depend on others).

Research results from this study indicate that the parents' desire affects the student's intention, which can be considered as an external factor. This study found that students sometimes join the accounting course in response to their parents' wishes, while the student has no interest in the accounting subject. Furthermore, the researcher found that some students only study sufficient scientific materials, provided by the university, and will not seek to develop any additional knowledge. Some academic participants stated that these student will not gain enough academic achievement, as it should be, to be successful.

Another category of student, identified by the research results, has the intention to study accounting only for social standing. That can be an internal factor, since the student wants

to ensure his social standing by acquiring a “white collar job”. According to the research results, some of these students could achieve their goal and hence increase the quality of the outcome. However, these factors, the internal and the external, could affect adversely the student's intention, hence the quality of the outcome. Indeed, it is difficult sometimes to predict the outcome according to the influencing factors (Ajzen 1991). For example, SA as a developing economic community has many medium and small companies, which are family-owned businesses. Students study at the school of business and employ themselves in the family company because they are owned by the students' family, regardless of whether the student has a proficiency in accounting or not. As a result, some of these students have graduated but are not fully fluent in accounting practice.

Ajzen's (1991) theory of planned behaviour has proven that there are factors that affect motivation and it is possible to make a person do all they can in order to achieve their goal, if these factors are positive and the person plays to behaviour which increases the achievable. This theory is applied to this study in the context that there are factors that affect students, achievements, thus outputs

Accounting was a practicing profession before it became a knowledge of theory profession, this has been stated in the history of accounting (Bloom et al., 1994). It is a science that is refined by concrete practice and training. If the intentions of the student are serious and they have tendencies that are related to the knowledge of accounting, the student will take advantage of every opportunity to develop him/herself, either academically and professionally. The student, in this case, seeks to develop him/herself, thereby taking advantage of every available opportunity, thus raising their level of quality and their suitability to the requirements of the labour market, as long as they work on developing their skills. Accounting is an evolving and renewable knowledge professions that follows the labour market's changes. If a student only relies on the scientific material from the university

they will not improve their level of quality and alignment to the workplace requirements. In the case of SA, participants stated the lack of development and modernisation in the accounting curriculum. The students' adoption of these theoretical curricula only, will not raise their level of suitability to the labour market.

### **6.3 The Business Environment in Saudi Arabia**

The second debate in this section is about the business environment. In terms of the employees' efficiency, the research results confirm students' perspectives about accounting education in SA. Fresh employees (who had from one to four years of experience in the field) in SA face difficulties at work, starting from the lack of effectiveness training that they have received through university level, ending with the perceived weaknesses of English language and computer skills. Added to that, they consider that what they have learned at the university is not adequate to the requirements of the labour market and the evolution that is happening in the work environment. These factors affect the efficiency of employees' performance and are considered as obstacles when practising accountancy in the real work environment, hence influencing the quality of the profession's state in SA. Employees strongly believe that the traditional teaching methods affect their career performance by not providing adequate learning methods and materials that could support their qualifications. They pointed out that the accounting education system needs to communicate and cooperate with the work environment through training programmes, and universities need to begin to develop the curriculum in line with labour market requirements. They believe that if they could receive a good combination of learning and practical training in their university course it would support their qualifications and job prospects.

These perspectives of the employees regarding the status of accounting in SA could prove the existence of the gap between accounting learning and practice in SA as they state the need for communication between learning and practice. The research results, in terms of the

efficiency of employees, are consistent with those of Majzoub and Aga (2015), whose study investigated the gap in accounting education between learning and practice in Lebanon. However, the Majzoub and Aga (2015) study investigated the gap according to the international accounting education standards (IAES), by applying a mixed methods approach. Their study proved the presence of the gap from the perspectives of employees, whereas the present study considered the gap from the perspective of academics, businesses and the professional body. Another characteristic that distinguishes this current study, in terms of employees, is that the research results indicate a gender gap in the accounting profession in SA. It is well known that Saudi society is affected by cultural and social factors (see Chapter one section 1.4.2), the impact of which affects the individual in society. Female employee participants indicated that the amount of trust in women working in accountancy is low and they experience gender bias between themselves and the male employees (See Chapter one section 1.4.4). There are other obstacles and challenges that emerged from the results that affect accounting employees' performance in SA, such as incompatibility with the job. Employees confirmed that they need a long time to adapt to the work environment, compared to graduates from international universities. These international graduates are advanced in terms of English language proficiency and accounting information systems (IT) usage.

Perhaps the final say, which confirms the existence of the gap in SA, is with the HRMs. In the accounting education system, employers are the recipients of the system's outcomes (graduates), in other words employers can provide the assessment of the learning outcomes. The research identified that the accounting education outcomes are not fully compatible with the requirements of the labour market. There are several reasons that support this statement. One reason is the lack of practical training (including IT) that is received by students during their academic study, which makes it difficult for them to adjust to the work environment.



Medium and large companies in SA rely on accounting software in the treatment of their transactions, however graduates do not receive adequate training on the use of IT in accounting. Some companies tend to provide training programmes for their employees in order to cover the lack of training, however these programmes mainly train the employees on the company's adopted accounting system. In the case, where an employee leaves a company, and moves to work for another, they needed to be trained again on the new company's system. Therefore, the researcher considers that these training programmes, which are provided by the employers, are ineffective since they serve only the interest of the company.

Some of the employers, referred to the risk of total reliance on accounting software and a company's need for an accounting practitioner proficient in both theory and practice. Some previous studies (e.g., Ghasemi et al., 2011, Lim, 2013, Liyan, 2013) refer to the impact of IT on the accounting profession and education. Furthermore, some researchers, such as Banker (2002) and Moghaddam et al., (2012) highlight the advantages of applying IT such as speed, accuracy, and the flexibility that it provides. On the other hand, this research found that there is a disadvantage in applying IT in the accounting profession in SA. The researcher found that total reliance on IT could lead to the disappearance of the real practitioner in accounting, in the future. The research results indicate that some companies in SA start to train non-accounting qualified employees on the company's accounting software, then employ them in the accounting and finance department as accountants. In other words, companies gradually begin to dispense with accounting graduates. This could lead to the disappearance of the profession due to a lack of demand for accounting graduates in the labour market, which is proved by the research results. The researcher believes that this issue should be approached with caution because as there are advantages with IT, there are also drawbacks. In the case of the failure of the technology, the work of the accountant in the

company could be disrupted. In addition, the software does not entirely guarantee accuracy - there should be a qualified accountant to review and assess the software's outputs.

The employer group participants noted the importance of both academic and professional background ability in the graduates, as they are simultaneously involved in the construction of a true accounting practitioner. Nevertheless, due to the lack of training and access to the work environment, the link between theory and practice skills are missing in employees. Overall, employees are not adequate to the work environment because of the reasons mentioned above, such as non-updated curriculum and traditional teaching methods, which affect the accounting education system's outcomes. Moreover, other factors such as cultural and social affect the accounting education system.

Many previous studies (e.g., Gough et. al, 2004; Wally-Dima, 2011; Pratama, 2015) refer to the gap between accounting education and practice and the importance of bridging this gap. If this gap can be bridged, the work environment could provide the universities with labour market requirements in addition to the latest development. Further, universities could develop their programmes according to the input of the work environment. Universities in SA, with a high awareness of the problem of the gap, have resorted to the development of training programmes in cooperation with the business sector, one of these programmes is a cooperative training programme. Neither the researcher nor participants were able to judge the quality or effectiveness of these programmes because they are still in the adoption phase. The intention of these programmes is to contribute to bridging the gap between education and practice in accounting.

The last point to be addressed in the work environment debate part is the seriousness of non-qualified graduates practicing accounting. Some previous studies (e.g., Titard et al., 2004, Rezaee, 2004, Lin and Wu, 2006, Low et al., 2008, Zarkasyi, 2009) have pointed to the

possibility of a connection between a gap in accounting education ethics and financial disasters that have occurred in some international companies such as Enron and others. Search results did not prove or deny this fact, nevertheless, the SOCPA general secretary believes that unqualified accountants could affect the business environment.

Undoubtedly, it is the responsibility of the providers of the accounting curriculum to be a major role player in raising awareness among the students in the disciplines of accounting, management and others, about the importance of the role of the ethical code in the profession. Researchers, such as Diamond (2005), investigated this matter and its relationship to accounting education.

In fact, the researcher found that the failure of any system's input would cause the outcome to be incompatible with the requirements. This incompatibility could lead to many conflicts when interacting with the external environment. Accounting education is the system, the students, educators, and curriculum represent the input and the outcome is represented by the qualified graduate students. If these graduates are incompatible with workplace requirements, this could cause a conflict which is described as the gap between learning and practice. This failure of the outcome could influence the business environment. In the case of economies, such as SA's, where the accounting profession is still not fully developed, this influence could significantly affect business and hence cause financial crises. All this is stated as an assumption of what the presence of gap in accounting education could cause, in an economy such as that of SA.

#### **6.4 Professional body in Saudi Arabia SOCPA**

The last section in this part is about the evaluation of SOCPA. Academics point the finger of blame at SOCPA, the professional body, that they believe has contributed to widening the gap. According to the results of this research, participants acknowledged that there is no link

between academic accounting education in SA and the professional body. Obviously, the issue of the conflict and the desire of separation comes back to the surface again. On the other hand professionals consider that academics do not seek to change and fear moving to a new phase. SOCPA itself cannot admit to the expectation gap between learning and practice, and between universities and the professional body. In other words, the bridge that should be between education and the work environment should be through the professional body in SA, since SOCPA is the one that approves the accounting standards in SA and they track the business environment's developments. Research results indicate that there is an expectation gap between accounting education and the professional body in SA. SOCPA is seeking to change and develop the profession in SA and even the academic education system is seeking the same goal, however they are working separately to achieve the goal. Whereas, the researcher found that if there is collaboration between the two groups, this could enhance the profession's status in SA and hence help in bridging the gap between learning and practice. Previous research has called for collaboration after the “schism” that occurred between educator and practitioner. This research's findings are consistent with Burton and Sack (1991), Kullberg et al., (1998) and Parker et al., (2011) who suggest collaboration between academic accounting and the profession. Although, there is an awareness of the gap issue in SA, by both educators and professionals, each group seeks to resolve the problem of the gap individually. This research considers that this matter is the obstacle that faces attempts to bridge the gap. This finding of the research differs from the findings of some previous studies, with regard to the obstacles and challenges that could face attempts to bridge the gap. Whereas other researchers such as Bloom et al., (1994), Moehrle et al., (2009), Hopwood (2008) and Baldvinsdottir et al. (2010) state that the obstacles that could face the reform movement are maintained by both sides; academics for the traditional approach, and professionals for the modern approach.

The results of this research have proved that there is awareness of the gap and that most academics recognize the efficiency of the modern approach in the teaching of accounting and are seeking to move to it, but they are working separately from the professionals in attempts to bridge the gap. As the professional body is the legislator for the laws and standards of accounting in SA it should be the link between the education system and the working environment. However, the research findings also agree with other studies such as those of Abu-Ghazaleh (1994), Albrecht and Sack (2001) and Mohamed and Lashine (2003) that listed other challenges and obstacles that could face the reorientation movement, such as the rapid changes in the business environment which are difficult to track. Accordingly, the researcher's belief is that the efforts should be a unified and continuous relationship between educational and professional bodies and should be established in order to reduce the size of the gap. However, the researcher found that the thought of separation between academics and the professionals still dominates in SA. The researcher believes that the reason for this is probably the effect of American accounting system thought that had arisen in the ideology of separation between the two parties and has been adopted by the accounting profession in SA. Alternatively perhaps, because of this, accounting first appeared in SA in the academic context before the professional one, so the academic theory thought is dominant in this case.

## **6.5 Conclusion**

In spite of what has been referred to previously, it is still not acceptable to blame Anglo-American accounting thought as being one of the reasons for creating the gap in SA. The USA is a developed country and advanced in the field of the accounting profession despite the financial crises sparked by some well-known companies. American researchers have studied the causes of these failures and identified the reforms that should be made to the

accounting system, as evidenced by the fact that most research and publications, in the field of accounting education, are sourced from the USA. The researcher's belief is that the reasons for the ineffectiveness of the accounting education system in SA to produce qualified accountants, is the failure to follow the developments that have occurred in American accounting thought, and this is one of the reasons for the continued existence of the gap.

There is intense scarcity in the field of accounting education research and the development of accounting thought. In addition to that, research results indicate that the curriculum and teaching methods have not been improved for quite some time. Participants stated that the current curriculum is outdated and does not keep pace with the developments taking place currently in the local or global work environment. This accordingly makes the current curriculum unable to produce qualified accountants who are adequate to meet the needs of the labour market. Recently, the process of the scholarship system and the return of many students from abroad, who have received their education in developed countries, has motivated some universities in SA to become aware of this problem and take steps to develop projects, for example the “International Academic Accreditation Programs” and the “Cooperative Training Programs”, and to work on the reorientation of the current curricula and teaching methods.

Results indicate that some of these initiatives have not proved their success and because they were not well thought out some obstacles were encountered, during the application phase. For instance, some universities adopted the English language in the process of updating the curriculum and teaching methods. Considering that English language proficiency is one of the work environment's requirements, as research results indicated, the research found that faculty members are not qualified enough to teach this new curriculum in English. Participants, however also pointed out that the students are not adequately prepared to

receive this kind of curriculum, where in the initial stages of study they need a pre-set level in terms of English language ability.

All these reasons discussed and some that have been stated in the results chapter have influenced and hindered the process of reorientation that has been adopted by some universities. The researcher believes that the first step in solving a problem is to recognize it and to be aware of its existence. What it is important to state is that SA, as a developing country, is fully aware of the issue of the gap and recognises the implications of this problem and is working to resolve it. Finally, the researcher's belief is that the steps for change that have been undertaken by some universities need about 5 to 10 years to prove the effectiveness of their development process, in an attempt to bridge the gap between education and practice.

## Chapter 7: Conclusion

### 7.1 Summary of the Research

Due to the need to develop academic education, required for accounting careers, that will produce graduates who meet business organisations' requirements, it is important to conduct research and studies that promote the progression of accounting education knowledge and skills (Wright & Chalmers, 2010). To date, however, accounting research has often focused on the study of technology and technical accounting practices used by practitioners in communities and organisations (Parker et al., 2011). This research study was conducted to investigate the gap between accounting education and business requirements. It has evaluated and explored the state of accounting education in SA and its ability to produce graduates with knowledge and skills to meet business requirements in SA. This research covers the gap in accounting education research and provides a possible solution to bridging this gap.

8. A case study methodology was applied in order to research and understand the state of accounting education in SA. It explores the relationship between the three involved communities that represent the profession in SA: academic (university education), business sector, and the professional body (SOCPA). Key elements of the accounting system were investigated through a series of interviews with five different groups of individuals, from the three involved communities in accounting. This scope of approach is wider than that adopted in previous studies. In addition, this study has identified the abilities of accounting graduates to meet the business sector's requirements. Through applying an abductive strategy this research set out to discover how social and cultural factors could affect a



profession, such as accounting. In addition to why and how the story of the emergence of the profession in SA could affect the accounting education gap.

## **7.2 Key Findings**

The results have revealed the state of accounting education in SA from different perspectives. Research found that there are deficiencies and a gap between the skills and knowledge gained in the offered academic programmes for accounting in Saudi universities and the Saudi labour market's requirements. The conclusion to this research is deduced from two sources of evidence, the first being literature and theories and the second from the research interviews conducted..

### **7.2.1 Conclusion deduced from the literature and theories**

The history of the emergence of the profession in SA strongly indicates that accounting began its existence in university education prior to the professional education framework. University accounting education first appeared in 1956, while the professional education framework, which is represented by SOCPA, did not come into existence until 1992.

Investigation of the history of the profession indicates that there was a separation between SOCPA and the universities (practice and academics), which also confirms the lack of interest between the two group as Bricker and Previts (1990) and Cooper and Zeff (1992) argued. This separation is endorsed from different sources. Firstly, one of the academics stated that SOCPA considered the establishment of the body to be their greatest achievement, especially regarding the length of time since the emergence of accounting programmes in university education and the absence of a regulatory body for accounting law. Therefore, when SOCPA was founded it tended to be independent of the universities, and developed itself in order to prove its presence, which created an atmosphere of competition between universities and SOCPA. This competition created a kind of

separation between the two and each of them wanted to develop the profession separately. In fact, this matter created a competitive climate between university education and SOCPA education. Each side wanted to prove its effectiveness in SA in terms of producing graduates who meet the business sector's requirements. Consequently, it can be considered that, in the case of SA, the development of the profession has been in a climate of competition between SOCPA and the universities. Although, the SOCPA founders were academic educators originally, after the establishment of this professional body they tended to break away from the universities after they had obtained their professional qualifications from the USA. The resulting relationship between SOCPA and the universities is opaque. This situation needs questioning and further investigation in future research (what other reasons caused the separation for those first educators?).

Returning to the history of the emergence of the accounting profession in SA, it was found that the early academic educators in the universities, and even the founders of the professional body mainly received their education in American universities. Thus, the researcher's belief is that there are some influences from American accounting thought, and this has influenced the separation between academics and professionals on the development of accounting in SA and has consequently contributed to a schism between the two parties. This is in addition to the atmosphere of competition, which has been already mentioned.

Since the beginning of the emergence of accounting work, in the era of the industrial revolution in the USA, academic accounting thought has wanted to secede from the professional, and develop accounting courses in universities in order to break away from vocational education (Bloom et al., 1994). Perhaps, the separation between the beliefs of the two groups, regarding accounting practice, is one of the factors that promotes the gap (See figure 2.1).

On the other hand, by following Abbott's (1988) theory of “professionalism” which, indicates that when a profession is going through the stages of appearing in a particular community, vocational education is what appears first, then it is followed by university education. He added, that often the relationship between the two is virtually non-existent or impossible, and this is because both sides - academic and professional - seek to prove their existence and effectiveness.

To summarise this discussion, based on the influence of American accounting thought on the development of accounting in SA by the early academics, and the existence of the competitive atmosphere between the professionals (SOCPA) and academics (universities) and based on Abbott's (1988) theory of professionalism it can be concluded that all of these events may have contributed, in some way, to the emergence of the gap between professionals and academics in SA.

Currently, universities and SOCPA work independently in the process of the development of accounting education outcomes in SA. The separation between universities and the profession signals the gap between learning and practice, in accounting. Previous studies (Belser, 1927; Wildman 1980; Stevenson 1980; Bloom et al., 1994) have argue that when a schism occurs, between university education (academic educators) and professional education, the gap exists between learning and practice required skills. Abbott (1988) argues that, “The association of universities with professions seems to follow ineluctably, because professions rest on knowledge and universities are a set of knowledge in modern societies.” ( p.193). Although, Abbott (1988) indicates, by this statement, that the profession is in need of the universities, this is not the case in SA where the universities are more in need of SOCPA. Abbott, however, still emphasises the importance of the relationship between both sides: universities and the profession. In the case of SA, the research results show that SOCPA is the window for the universities through which to inspect the different

organisation's needs of accounting. Researchers, such as Burton and Sack (1991); Kullberg et al. (1998) Parker et al. (2011) claim that the collaboration between the academics and the profession is an important matter in order to develop the accounting profession. However, other studies such as Bricker and Previts (1990) who are American authors, suggest a separation between the university and professional community. In this current study, one academic participant, who received his education in an American university, argued that accounting carries a broader education base and students need to learn the principle more than technical practice concepts. This view is in line with that of Bricker and Previts (1990).

### **7.2.2 Conclusion deduced from the research interviews conducted**

The second source is the research interviews' results. These results proved the absence of a relationship between universities (academic) and SOCPA (professional), in terms of curricula design, educators' and students' training, translation, and research work. In fact, participants claimed that the absence of SOCPA cooperation, in the matter of curriculum design, makes the theoretical theme more dominant in the curriculum. Moreover, the miscommunication between the two drives the universities' curricula to be outdated and without the latest professional updates in SA, since SOCPA is the responsible entity for accounting law. For example, participants claimed that regarding “Operating Leases and Capital Leases”, in international standards, one of these has been dropped, however students are still taught about it in their university courses. The gap between university education and SOCPA has caused a gap between learning and the work environment, which confirms findings from previous studies. When educators are not informed about the latest updates in accounting profession law or standards, a gap between what students learn and what actual practice needs, is created. In the case of SA, SOCPA, in collaboration with the Ministry of Commerce, is the first legislator for the laws and accounting standards in the work

environment. With no communication between the two communities, educators cannot develop the curriculum according to the developments in the work environment.

The shortcomings that have been observed, regarding the lack of current curricula updates (outdated curriculum), have for a long time caused a gap between the curriculum and developments in the work environment. In addition, the majority of academics, who teach accounting, do not take part in curriculum design because of domination by the centralised, primitive and bureaucratic structure in the university climate in SA.

Another agreement, revealed from the results, was between accounting graduates, employees and academics about the insufficiency of accounting courses in terms of linking the learning curriculum to the requirements of accounting practice. The agreement reflected the lack of emphasis on practical training, English language and IT skills, which have become the most important requirements of the labour market.

Previous studies (e.g., Birrell & Rapson, 2005; Dale et al., 2006; Almajed & Hamdan, 2015) have identified the importance of English for the current business environment. Birrell and Rapson (2005) argue that accountants from non-English-speaking backgrounds have struggled to secure professional level work in accounting, referring to the importance of English language in the job environment. Globalisation and open trade with multinational companies, raises the importance of the use of the English as the language of the business environment. Moreover, this researcher's Master's project (pilot study) results identified the need for applying English in universities' accounting courses in SA.

Several studies have acknowledged the role of IT in the development of the accounting profession. Senik (2007) stresses that mastering IT skills is important for accounting students, since it prepares them for the IT-based work environment. Further, Mohamed and Lashine (2003) argue that accountants should improve their competency level in IT skills to

meet market requirements. However, one participant highlighted the risk of being fully dependent on IT in accounting, in the workplace.

Deficiencies relating to educators, which were emphasised by the participants, are the inefficiencies of academics which has affected teaching methods significantly. Shortcomings in terms of the educators' practical and professional background experiences, in addition to a lack of communication between academics and the work environment on the one hand and between academics and the professional body - SOCPA - on the other hand has led to the emergence of a gap between educators' knowledge and the developments of the work environment and SOCPA. Moreover, this gap has affected teaching methods, making educators follow the traditional indoctrination style and added to this is the lack of the use of practical examples, and the lack of diversity of teaching methods. As a result they continue to be theoretical in traditional character, rather than practical. This finding is in line with that of Moehrle et al., (2009) who claim that accounting educators pay more attention to the concepts they teach, such as accounting theories and accounting concepts. On the other hand, they pay less attention to the practical side of accounting which is connected to the accounting profession or practice.

Regarding the skills and specialised knowledge, gained by the graduates, it appears that there is endorsement between employers and employees about the absence of certain skills, such as economic viability skills preparation, financial analysis skills and the ability to read financial statements, and the lack of skills in the financial markets. In addition the absence of overall practical skills, due to the lack of linking between learning and practice, has caused a gap between graduates acquired skills and workplace needs. Some previous studies (e.g., Barrie, 2006; Hancock et al., 2009; Jackling & De Lange, 2009) have confirmed that accounting students are not being taught adequate generic skills in their university courses.

The results reveal obstacles faced by new employees. Perhaps the most prominent is the conflict to align between theory and practice, due to the lack of linking between learning and practice during their university accounting courses. The gap between learning and practice appears in the graduates acquired skills and required skills. The gap between university education and the work environment has caused uncertainty between graduates and employers about what are the required skills. *When accounting graduates enter the job market, most of them are unaware of the employment reality. They are either shocked or unprepared to adapt to the working environment or find it difficult to cope with their job responsibilities* (Ngoo et al., 2015, p. 98). However, the uncertainty is proportionally higher in SA because of the impact of the schism between SOCPA and university education. Employees agreed that organisations provide special training courses in skills that prepare them for the workplace. Some participants refer to the extent that these training courses differ widely from what they had been taught in university accounting courses.

In terms of the cultural and social factors that affect the state of accounting, results revealed internal and external factors that affect the profession in SA. The external factors that this research takes into account revolve around the nature of the Saudi economic environment that has put SA in the HIOECs list. The impact of the oil economy stimulated the first appearance of the accounting profession and influenced the emergence of the profession (See Introduction and Background Chapter) and has continued until today. The oil economy has boosted the development of the business environment, which in turn has affected accounting education. This rapid development in the business environment has caused a gap between university education preparation and workplace needs. In fact, the impact of oil has distinguished this case in SA (See Introduction and Background Chapter section 1.4.3).

Apart from SOCPA's contribution to promote the progress of the accounting profession to keep it in step with global development is the transition to the IFRS. Researchers like

AlMotairy and AlSalman (2011) believe that if SA adopts the IFRS this will develop the profession and increase the standards of financial reports in SA, more than local standards do. However, the researcher asserts that the advantages of adopting the IFRS will benefit a limited part of the profession, and will not contribute to the development of the educational accounting system in SA.

As a result of a separation between SOCPA and universities there will not be an effect from IFRS adoption, unless there is an attempt to bring the two communities together. If this were to happen, the adoption of international standards will contribute to the development of the accounting system in SA, both professionally and academically. Some of the participants in the research indicated that they were not aware of the strategy of adopting the international standards, even some were not aware of whether SA had adopted the IFRS or not, as yet.

In terms of the internal factors, results show that university educators mainly care about delivering theoretical knowledge (as it is in the books) to the students without additional efforts to develop this knowledge, or attempt to update the curriculum concepts with the business environment. The factor that promotes these educators' attitudes is the absence of educators' incentives. The Mathews Report (1990) investigated accounting education more deeply (from one of its main components: the academic). He attributed the inefficiency of accounting education quality to the insufficiency of academic salaries and the deterioration of the academic working environment. Salaries are one of the incentives that will lift the enthusiasm of academics and increase their desire to develop themselves, thus raising the quality of education outcomes (as they are one of the main elements of the education system). The absence of satisfaction regarding their salaries or pay could affect the performance of academics as research proved.



Therefore, academics in SA do not care much about the development of their style professionally or teaching methods so as to be consistent with the evolution in the work environment. From this, a gap emerges between education and practice on the one hand and between the student and the academic on the other hand. The low motivation work environment is affecting academics' performance and hence the quality of the education outcomes (Ostroff 1992; Kayuni & Tambulasi 2007).

Another internal factor that affects the quality of the education outcomes is the students' intentions and objectives. Results reveal that students' objectives are to obtain academic qualification only, without any real earnest desire for specialisation and work in the appropriate field. In fact, the researcher found that students' intention and predilection play a fundamental role in their achievements and outcomes, whether positively or negatively. According to the theory of planned behaviour (Azjen 1991) intention is an indication of how much effort people are ready to spend in order to achieve a particular goal. In the case of SA, students' intentions play a similar role to academic motivation in university education. When the student's internal intention is to study accounting and they want to work in the field, they will do their utmost to achieve their goal.

The impact of motivation and intentions are new areas for discussion in the effectiveness of university education outcomes. However, my belief is that these factors may not influence the system as much as the schism between the university and SOCPA communities. It could be considered a sub-factor and not a basic contributor to the existence of the gap between education and practice in accounting education.

Results from this study indicate that the business environment is working in a contradictory approach, they want graduates who are in line with their needs but at the same time do not

make appropriate efforts to help, not even participating in the educational process and their cooperation with the education sector is negligible.

The banking sector is the one that most cooperates with the universities in terms of students' training, however from the perspective of the universities this cooperation is still not sufficient. Educators believe that real training programmes should be offered to students, in order for them to adapt to the workplace and not choke when facing the reality of the workplace. If this is not done, we are establishing generations of graduates who face many difficulties and obstacles when trying to merge with the work environment, due to a lack of prior exposure to it and not having sufficient background around it. If real training programmes are established these could support them in the practice of the profession. The investigation of the work environment highlighted some points that have not been previously mentioned in accounting education studies in SA (e.g., Al-Nafea, 2005; Hijaazi, 1981). These include the risk of employing unqualified students, the risk of over dependence on accounting IT programs, and the perspectives of the employers regarding the quality of the graduates in SA compared to other international graduates.

The business environment is not easy to investigate, especially the banking sector. However, this sector attracts more accounting graduates than other sectors. The nature of privacy and the sensitivity of jobs in banking makes it difficult to investigate. However, the researcher was able to evaluate the environment. Since, the banking organisations cooperate with universities in term of student training more so than other organisations.

Evaluation of the professional body, indicated that SOCPA is working under a discrete scheme. Its participation with universities is almost non-existent, as indicated by the research results. Although, several articles point to the lack of participation between the university sector and SOCPA, such as an interview in an accounting magazine with the head of the

accounting department at King Saud University. The interviewee underlined the need for SOCPA to cooperate with universities for their advancement and to contribute to the development of the profession. Results indicate the lack of contributions by SOCPA and the reasons for this, stated earlier, are:

- The way of the first appearance of the profession in SA (profession emergence theory).
- The influence of American thought (separation between academic and practice).
- And, the competitive climate between universities and SOCPA (work separately to improve the quality of the outcomes).

There might be other factors that contribute to the gap between SOCPA and universities, which need further investigation in future research.

Overall, from the perspective of business participants, SOCPA qualifications are preferred in the workplace. Professional certification has become a requirement to fill accounting jobs more than academic certification. Since, employers believe that the SOCPA curriculum is focused more on technical problems that are related to practical reality and therefore closer to work practice than the university qualifications. For example, in audit, university students admit that they are exposed to less problems and more theory concepts in the university curriculum, while in the SOCPA curriculum they find that it is about 80% problem solving and 20% theory.

The existence of the gap between the professional body and the universities has led to the situation where university graduates cannot pass SOCPA exams without training and entitlement programmes that are provided by the professional body. In other words, the university accounting curriculum does not enable the student to pass the professional accountancy exams, due to the lack of a connection or the impact of SOCPA on the undergraduate accounting programmes.

Therefore, it is strongly recommended that collaboration between SOCPA and universities should exist in order to reduce the gap between learning and practice in SA's university accounting courses. Moreover, the collaboration between universities and the practitioner body will reduce the gap between university and the workplace by designing university curricula that bring together theory knowledge and practical application. In addition, it will enhance the communication between business and the university sector (considering that SOCPA is the legislator of accounting laws and standards in the business sector).

The bottom line, is the collaboration between the three communities (academic, business, profession) which could contribute to promoting the profession dramatically and drive its development and advancement and as a consequence produce graduates who meet the work requirements.

### **7.3 Reflection on the Research Questions**

Overall, this study about “The gap between Learning and Teaching in Accounting Education: the Saudi Arabian Experience” has obtained its objectives, and answers the research questions. The research's main objective was to observe the current status of accounting education in SA in accordance with the need to produce graduates who meet business sector requirements. Therefore, the importance was to explore, through a case study methodology, whether or not a gap exists between universities' accounting graduates' skills and Saudi labour market requirements as well as the separation between academic and profession in SA. The evaluation of the effectiveness of the proposed universities' accounting courses in meeting the needs of the business sector was through highlighting the perceived weaknesses and shortcomings in current university' programmes. Further, the

business sector and SOCPA were included in the evaluation process, in order to compare the perspectives of the three communities (academic, business, professional).

The first research question was set to explore to what extent accounting education adequately provides outputs that are compatible with the needs of the work environment in SA. Through the investigation of each groups' perspectives, the researcher was able to identify the status of accounting education, by identifying the status and comparing the different groups' perspectives. The results indicate that university accounting education in SA needs to change and improve to the extent that it should produce outputs (university graduates) who meet the workplace needs. The investigations confirm that current graduates are unable to meet most of the workplace' needs and employers argued that they need to additionally train fresh graduates in order to prepare them for their jobs. In addition, fresh employees listed encountering obstacles caused by their previous education courses, by employers, and by the work environment. Moreover, the educators themselves admitted that current accounting courses are suffering from issues and problems that cause them to produce graduates who cannot fully meet the needs of the work environment. Finally, SOCPA, the professional body, blamed the academics suggesting that they do not do what they are supposed to do in regard to improving university accounting education, and they do not give SOCPA the opportunity to contribute in designing these courses. On the other hand, academics blame SOCPA for the same reason and they imply that it is SOCPA that wants to stand apart from academic education. Consequently, these results show that accounting education in SA suffers from a separation between learning and practice. Since current university programmes are unable to meet business sector requirements, according to the admissions of the participating groups and because of existence of the schism between SOCPA and university education. The researcher believes

that if interaction between SOCPA and university academics were to exist, it would promote the status of accounting in SA. This could be achieved by showing the impact on each group. For example, SOCPA materials could begin to be used in teaching in university courses (actually one academic participant mentioned that they had started to adopt some ACCA materials in teaching university accounting course). This could prepare students for SOCPA qualifications. At the same time, academics should consider the changes in accounting standards and update the university curriculum according to that. In addition, SOCPA should encourage academics to take courses, at the same time universities should facilitate these matters and encourage their staff to do this. A complete separation, as it is happening now in the case of SA, would lead to the gap, since SOCPA is the main representative for the profession, and studying accounting in universities does not qualify the graduate appropriately to practice accounting professionally.

Even the case of the gap in SA is distinguished from other developing countries, as SA is considered as a HIOEC, where the impact of the oil industry had caused rapid changes in the work environments' needs. In addition, SA joined the World Trade Organization in 2005, and this step has encouraged SOCPA to turn to the IFRS, by 2016. All of these factors have affected the overall atmosphere of the profession, both academically and professionally in SA.

Yapa and Wijewardena (1996) declared that, when identifying the status of the accounting profession in developing countries, studies should take HIOECs into account where the oil industry boosts their economies significantly. Therefore, there are some differential factors that have affected the profession in SA more than other countries, such as the profession's first appearance and the nature of the relationship between SOCPA and the universities.

Although, recognition of the problem has surfaced recently among the academic sector; attempts and efforts to change this have not yet been effective. The identified “schism” between SOCPA and universities continues to enhance the gap between learning and practice in university graduates. Therefore, there is still an active need to improve university accounting education, to the extent that would produce graduates who meet and cope with the rapid changes in the work environment.

It was found that the education sector works individually in an attempt to bridge the gap, however the contributions of SOCPA and the business sector, in this matter, are limited or non-existent in some cases. On the other hand, SOCPA is working individually to improve the profession, without help from the educational sector. The researcher's belief about this matter is that this individual attempt will not achieve effective solutions to bridge the gap between learning and practice. Since, the accounting profession in SA is located in the vicinity shared by three actors - university education, SOCPA and the business sector, all three should work together to improve the professional status of accounting.

However, it should be taken into consideration that in SA the accounting profession was recognised in the academic sector before the vocational one. According to Perera (1989) and Abbott (1988) each community determines its own character and creates an appropriate environment that suits it. It is recognized that an accounting system, as a professional occupation and a product of the environment, is also affected by social and cultural influences. Consequently, this would affect the accounting profession's cultural construction in SA, in terms of the schism between academics and professionals. Hence, the attempts to improve the profession and bridge the gap between learning and practice, which extends to affect the of output compatibility with business requirements.

The second question is about whether accounting education, in SA, needs to change in order to meet the needs of the business environment in SA? Part of the first question has confirmed the need for change for the current courses when proving the existing of the gap. Moreover, the results have revealed that accounting courses need to be improved in order to meet the current business requirements and the rapid changes in the Saudi economic environment. Why do current university courses need to be improved? The universities' curricula is outdated, non-specialised and not on track with current developments in the labour market, as participants argued (traditional curriculum). For example, some students and educators confirmed that the problems used in the cost accounting curriculum have not been changed for many years, and students do not get an opportunity to practice cost accounting, as it in the real work environment. The only resources they have are the approved books from the university department. Another example is that students admit that they study the audit subject, in some university courses, as theoretical knowledge without any real examples to practice audit. Overall, students, educators, and fresh employees acknowledged issues with the traditional curriculum. In addition to the above, the reflection of American accounting thought on universities' curricula, in SA, has lead to ineffective university courses. This assertion was made by some candidates in the study, confirming Al-Nefea's (2005) study of accounting education and training in SA. Also, other American researchers (e.g., Poe and Bushong 1991; Previts 1991; Barefidd 1991; Albrecht & Sack 2001; Heffes 2001) argue that there are a number of shortcomings in American accounting thought, such as the imbalance between theory and practice in accounting education and training programmes. This situation has produced graduates who cannot meet the requirements of the workplace that are based on the new framework approach. Moreover, the schism between SOCPA and the universities, in SA, has also affected accounting courses and made it difficult for the education sector to access the



updated information in the business environment. For example, some accounting standards, in the universities curricula, are still being taught to students, while these standard have been replaced by SOCPA. Such a situation clearly indicates the extent of the schism between SOCPA and universities and how it affects the graduates.

The transition of SA to the IFRS should be taken into account, since it should affect professional education, however most of the academics interviewed in this research did not have enough information about this process. If the lack of communication between SOCPA and university education is still in place, professional education will not benefit from this important transformation in a way that enhances the universities' outcomes. University programmes will keep producing graduates whose knowledge is based on the GAPP standards (the current based curriculum standards), while the business sector transfers to the application of IFRS. In fact, it will promote to increase the gap between learning and practice in the profession's education.

In summary, it seems to be that university accounting education in SA has not followed any international academic accounting standards in curriculum design. Curricula are designed based on the adoption of some American academic contexts, in addition to the impact of the adoption of American standards - GAAP -, and some items and threads from other neighbouring countries. From the investigation, it was found that some universities applied some “International Academic Accreditation Program” and “Cooperative Training Program” to educational processes in their accounting programmes. However, according to the interviews none of these programmes have yet proved effective in reducing the gap between learning and practice. Current curricula and teaching methods do not follow any of these standards in their design. The researcher deliberately did not compare the efficiency of the curriculum in SA with international academic standards, since this is not a

comparative study. A comparative study would not add significantly, since the results would be almost predictable - the inefficiency of the current Saudi academic curriculum to produce graduates in line with the work environment. Some researchers have adopted this approach, such as AI-Nafea (2005) and AlMotairy and Stainbank, (2014). Predictably their results, as previously stated, indicate the inefficiency of the current curriculum and the need for development according to approved, international academic standards. These studies were without reference to the reasons that lead to the incompetence and the gap between learning and practice. Therefore, this current study has identified the reasons for the current academic accounting system's inefficiency, in accordance to different groups' perspectives.

The key finding, highlighted in Sections 7.2.1 and 7.2.2, considers the schism between SOCPA and university accounting education to be the key factor that has affected the gap in SA. Other factors have also contributed to widening this gap, such as the use of a traditional curriculum, educators' qualifications and the reflection of the American accounting thought on Saudi accounting education. However, it is the researcher's belief that solving the issue between SOCPA and the universities is the priority, this research has proposed solutions. It has also identified potential obstacles that could inhibit attempts to the transformation process, such as centralisation and bureaucracy that characterises the academic climate in Saudi universities.

The research was designed to discover the perspectives of the business sector, in order to determine the needs of the current workplace in SA. Employers argued that the business environment in SA requires accounting graduates that have both, theory and training. They believe that theoretical knowledge, supported by adequate training, would meet the

accountancy job requirements and would make the employers hire more Saudi graduates.

However, the employers in this study, admit that the quality of graduates is not fully meeting their requirements.

This research has also explored the perspectives of new employees, about the extent of their adaptation to the work environment, and determined the overall obstacles that they face, as fresh graduates, as a consequence of the effects for their university course. These included issues such as the lack of training that was provided during the course, the lack of English language and IT skills, and the lack of skills training in preparation for the workplace.

In summary, the study has achieved its objectives and has:

- ❖ provided an initial image of the accounting education framework in SA, from the beginning of the emergence of the profession through the following stages of the profession's development;
- ❖ identified the status of the profession academically in Saudi universities;
- ❖ identified the perspectives of: academics and employers about the quality of the educational system's outputs (graduates);
- ❖ identified the nature of the relationship between the universities and the professional body - SOCPA - in SA;

made some suggestions that could contribute to bridging the gap between education and practice in accounting education in SA..

## 7.4 Contribution of the Research

The research has made contributions to the knowledge about the nature of the gap between accounting learning and practice in SA. The study has revealed unexpected results in that the gap in accounting education can be distinguished according to the profession's first appearance in SA and the reflection of the American accounting framework on accounting professional education in SA. Moreover, this study has made other contributions in terms of methodology, theory, and practice..

### 7.4.1 Methodological contributions

In terms of the methodological contribution, the majority of previous studies, in the area of the accounting education gaps, have applied a quantitative method, mixed-method or multi-method approach in order to cover the largest number of participants through survey. However, according to this study's objectives, which aimed to explore and identify the status of accounting education in SA, the researcher identified that a qualitative approach, through interviews, would promote the in-depth investigation needed to explore the state of the accounting profession in SA. Significantly, this study is the first to apply a qualitative methodology to investigate SA's accounting education. Furthermore, this research has pioneered the adoption of the abductive reasoning approach in this area and which promoted the research in terms of exploring different groups' perspectives about the state of the accounting profession in SA. Through the adoption of abductive reasoning, this study has:

- ✓ provided an understanding of the current state of accounting education in SA;
- ✓ developed an understating of the situation to explain why a country, such as SA, suffers from the gap;

- ✓ determined the reasons for the existing gap and the factors that promote the widening of the gap;
- ✓ finally, identified the solutions to close the gap, driven from the data, and the obstacles that could inhibit the transformation step.

According to the researcher's knowledge, the application of an abductive research strategy is the first in this area of research. Finally, the research data was analysed by computer – assisted qualitative data analysis (CAQDAS): Atlas.ti. Few previous studies, in the field of accounting research, have used CAQDAS and using Atlas.ti is a new contribution in this area of research. However, the main advantage of using Atlas.ti is that the interviews in this project were conducted and transcribed in Arabic. Translating transcripts from Arabic to English will consume time, even the translation will not be 100% accurate and a margin of error could occur in the translated meaning. Therefore, analysing the transcripts in Arabic was an appropriate solution in order to deliver the participants' perspectives as accurately as possible. Then, the analysed data was translated into English. The choice of Atlas.ti came from the fact that it is one of the very few CAQDAS programs to accept and analyse Arabic transcripts. Moreover, using Atlas.ti produced the network views of the relationship of codes, which can show the relationship between the codes (Friese, 2014). This code relationship network view illustrates the relationship between the groups' perspectives and expectations about the state of accounting education in Saudi Arabia, when applying the relational content analysis approach (See Research Methodology Chapter). Baker and Bettner (1997) state that, *We argue that the type of research prevalent in the mainstream accounting journals, which is characterized by a positivist methodological perspective and an emphasis on quantitative methods, is incapable of*

*addressing accounting's complex ramification* (p.293). So overall, employing CAQDAS could bring this area, accounting education, to the modern world of qualitative research methodology as most previous studies in this area have adopted quantitative methodology. Therefore, the applied research methodology in this study has also filled a gap in the accounting education research methodology literature.

For the purpose of data analysis, the Noticing-Collecting-Thinking (NCT method) was adopted, which is even considered as a contribution in the area of “accounting education research” data analysis. The advantages of using such a method in accounting education gap research is that:

- ✓ it helps in the observation of the research collected data. It gave the researcher the chance to identify the interesting things about the data.

The accounting profession environment, such as the one in SA, has never been investigated in depth from different perspectives; the researcher needed to identify the distinguishing things that the research data delivered. In fact, the study of the accounting profession in any community, needs to identify the distinguishing characteristics of the community. The NCT helped in the observation and then the understanding of the community and why or how such data appeared in the study. Then, by applying NCT the researcher worked to explain why or how such a factor has affected the state of the accounting profession's education system. In summary, applying the NCT in “accounting education gap research” helped in, “*noticing interesting things in data, collecting these things and thinking about them, and then coming up with insightful results*” (Friese, 2014, p.92).

### 7.4.2 Theoretical Contributions

A number of studies have considered three main theories:

4. The theory of professionalization and how it is influenced by the emergence of the accounting profession (Mueller, 1967, 1968; Zeff, 1972; Abbott 1988; Perera, 1989).
5. The theory of the separation between two communities in order to maintain the knowledge and the desire to not mix with the others (Wilensky, 1964; Abbott, 1988).
6. The theory of the impact of social, cultural and political factors on the personality of the profession, and how such a profession could acquire characteristics and selectors arising in some societies (Perera 1989; Abbott 1988)

Perera's (1989) and Abbot's (1988. p33) professional theory is that the profession cannot stand alone, it is always seen within a system. External forces affect this system of the profession. This external force can be represented in social and cultural impacts on the profession. The current research study's results are consistent with the theory of professionalism in terms of the factors that influence the system. Saudi Arabia's economic environment has, over the years, been affected by the discovery of oil that worked on changing the environment's features, and has given rise to a need to develop the financial and economic systems to keep pace with the rapid changes caused by the oil industry (Saudi Aramco, 1950). Although, the climate at that of the oil discovery was suitable for the emergence of the accounting profession, the emergence of accounting in SA occurred in university academic education prior to professional education (see university accounting education in Saudi Arabia, in the Background and Introduction Chapter). However, Abbott

(1988) in his theory states that, in the case of any profession it would start firstly by the appearance of professional education and then university education. Therefore, Abbott's (1988) view of professional education appearing first, is in contrast with the situation found by this study.

From the researcher's point of view, the appearance of accounting in the academic framework, that depends more on theoretical concepts, gave the profession more academic characteristics than practical ones. Since it is known in the community as the academic framework, people know it from these characteristics. Furthermore, academics will start to think that they are the leaders and that practitioners should follow their thought. On the other hand, practitioners will feel the same. Wilensky (1964) argued that until professional careers find their path to dominance and practice, they would have gone through stages or steps to be in existence. He also considered that the creation of a professional occupation starts with a group who have some special kind of knowledge that makes them create something, such as a professional association. The case of SA tells a different story from that of Wilensky (1964). SOCPA, the professional body, was created by academics and not professionals. These early academics sought to separate SOCPA from the universities from the beginning. SOCPA imposed its dominance in terms of the uniqueness of its accounting curriculum, which is considered closer to the work environment's requirements because the accounting curriculum in SOCPA is more professional than the university one, which is based mostly on theory. Thus, the holders of professional certification have become more acceptable in the work environment than university graduates. Surprisingly, the schism thought, which was quoted by those academics who established SOCPA, was a reflection of the American thought on accounting education that arose from the separation between



education and practice. The paradox with Wilensky (1964) is that the profession in SA appeared first in the academic framework, and even when SOCPA was established it was by academics and not practitioners. The researcher's belief is that the appearance of the profession in the academic framework before the professional one, and the influence of American education thought plays a fundamental role in enhancing the gap between SOCPA and universities, and hence between learning and practice.

Abbott (1988) said that in the case of the existence of a profession in society in an academic framework, and at the same time in a professional framework, the relationship between both parties will be “*inevitability*”. However, in the case of SA the study has proved the separation in the relationship between university education and professional education. Both communities seek to prove themselves and their status in a competitive climate. In addition, they work separately in order to achieve their separate objectives. However, accounting as a profession needs both learning and practice in order to achieve its goals. In other words, accounting needs the theoretical science that is supported by the practical training, and linking to the reality of work. Some employer participants argued that depending on one term (either practice or training) could lead to serious consequences; lessons should be learnt from those who preceded us (meaning the financial crises that occurred previously, and some caused by defects in the financial and accounting systems in firms).

The schism could be the first thread in the emergence of the gap in SA. This has been proved by the research results, when academics argued that they are separate from the profession (SOCPA) and they work individually in the development of the profession away

from SOCPA. When university education focuses on the theoretical concepts and neglects linking these concepts to practice, the gap is perceived. The link between labour requirements and universities should be provided by SOCPA, since SOCPA is the legislator of accounting standards and the law of the profession in SA. The lack of a linkage has caused the gap between the universities and the work environment.

#### ***7.4.2.1 The unexpected findings from the study related to other social theories***

Findings from studies indicate that academic motivation affects the adequacy of the accounting education outcomes. Researchers, such as Ostroff (1992) and Kayuni and Tambulasi (2007) confirm the impact of a lack of motivation on student outcomes. The lack of motivation in the Saudi university atmosphere is affecting academic performance, hence the quality of the education outcomes. In terms of the students, the research results indicate that the students' intentions and predications affect their education achievements. Academic participants said that the level of a student's achievement and their seeking to gain knowledge of accounting depends on their intentions. In Azjen's (1991) theory of planned behaviour, intention is an indication of how much effort people are prepared to spend in order to achieve particular goals.

There are other social and cultural factors that influence the accounting education system in SA. However, the researcher in this section has highlighted an unexpected result that is considered as a contribution in the area of accounting education gap studies. According to the researcher's knowledge, this is the first research that highlights the impact of academic motivation and students' intention in the adequacy of accounting education outcomes.

### 7.4.3 Practical contributions

In terms of practical contribution, the findings from the research indicate that the collaboration between universities, the profession, and the business sector could contribute to bridging the gap between learning and practice in SA. Lack of collaboration would lead to ineffective attempts. The suggestion is that after working on solving other educational issues (mentioned earlier in key findings), the three communities should unite in order to reduce the gap issue. If the universities work separately, as happens now, in such programmes as the Cooperative Training Program or Academic Accreditation Program, the researcher expects the result to be ineffective, due to the lack of participation from SOCPA in these programmes. Practically, SOCPA's collaboration with universities would benefit accounting education, in the case of SA, from three directions:

1. In terms of curriculum improvement, the collaboration with SOCPA would contribute to updating the current university curriculum according to the updates in the business environment, which from the research investigation SOCPA is more aware of. (Participants assured that SOCPA's materials are more related to real professional practice than those of the universities. Therefore, by cooperation with SOCPA universities can design a balanced curriculum that covers both theory and practice knowledge). On the other hand, SOCPA's vocational curricula will benefit from the universities' theory curricula. Overall, the cooperation will enhance the research field of the profession. Moreover, the new improving curriculum will solve the non-unified curriculum issue. Academic participants indicated the

importance of universities unified curriculum in terms of reducing the uneven quality of university outcomes (graduates) in SA.

2. In terms of academic educators' effectiveness, the process of cooperation will contribute to enhance academics' qualifications by providing training programmes for educators in SOCPA. (Participants pointed to the lack of professional qualifications of academics at universities affecting the graduates' quality.) This will improve the teaching methods as well. In addition, encouraging the educators to obtain professional qualification. (The majority of academics in other countries have professional certificates in addition to their academic qualifications, but the accounting educators' in SA settle for academic qualifications only.) Furthermore, cooperation between the two communities will work on the development of accounting research and will enhance the translation projects. (Academics have research skills that could benefit SOCPA in terms developing and raising the standard of the profession in SA to cope with the rapid developments in the work environment.) Finally, cooperation will be a pressure force on the business sector to increase their contributions to the education sector and collaborate with universities to support graduate training to become better adapted to the requirements of the work environment in SA. (Based on the fact that SOCPA and the Ministry of Commerce are the first legislators of accounting systems and standards in SA for the business sector.)
  
3. In terms of students' improvement, cooperation will contribute to encourage students and graduates to obtain professional certification, which has become one

of the work environment's requirements. In addition, to design a cooperative training programme between SOCPA and universities to train students professionally to practice accounting in a closer manner to what accounting in the real work environment looks like.

The question that arises here is why such cooperation between the communities of professionals and academics could contribute to bridging the gap between learning and practice in SA, despite the fact that there are some previous studies that have indicated there are more disadvantages to this collaboration than advantages. In contrast, some of the participants in this research supported this idea on the grounds that the students should obtain an appropriate amount of theoretical knowledge first, then they can work on training or obtaining the practical skills while practicing the job. The collaboration may contribute to bridging the gap in SA for three reasons:

4. The profession in SA is still in a growth and evolution phase (the accounting system professionally and academically has not as yet developed to the level of quality that makes it comparable to the level of quality in developed countries). There is the need for support from the professional body in order to enhance the development of the profession. Abbott (1988) believed that the relationship between the two communities is "*inevitable*", which means that the relationship between the two parties should exist in order to complete the process of professional evolution in society.

5. As previously stated, SOCPA is the representative and the first legislator of the accounting profession in SA, and there are no other professional bodies accredited in SA, unlike some countries which have more than one professional body.
  
6. The last reason is that the effectiveness of cooperation between the two communities has not yet been tried. Research findings and previous studies have pointed out the importance of a relationship between the two communities for the success of the profession's objectives. Therefore, this proposal should be applied and then its effectiveness evaluated in terms of bridging the gap between learning and practice in accounting education in SA.

In summary, research findings have proved that there is awareness of the gap and the role of SOCPA in bridging this gap. Therefore, SOCPA and the universities should participate in the accounting education system, and should work in tandem in order to produce accountants who can meet the rapid changes in the work environment. After all, the researcher's belief is that without this cooperation, the universities' efforts will be ineffective and the gap will stand.

## **7.5 Limitations of the Study and Suggestions for Future Research**

### **7.5.1 The limitations of the study**

This study, like other studies, has incurred some limitations.

First, the main limitation is that this study did not cover all the universities in SA that offer accounting courses. However, the universities that are included in this study represent the most famous universities that offer accounting courses in SA. Other universities will be

difficult to judge, because their accounting departments have been mainly instituted within the last 5 years.

Second, in terms of the business sector sample, the study did not investigate all business sectors. The research sample was random because of the difficulties and time limitations to reaching a larger population. (See Research Methodology Chapter)

Third, the researcher did not investigate the public sector.

Fourth, prior studies in the area of accounting education in SA were conducted a long time ago and provided very limited knowledge to the researcher.

Fifth, the business sector's required skills have not been precisely determined through the research findings, since the sample of employers was limited and because of the difficulties to access a large proportion of companies in this sector.

Sixth, the study did not apply a comparative study approach to compare universities' graduate quality, because universities in SA do not follow the same pattern in terms of undergraduate accounting courses, so the quality of the graduates will vary.

Finally, the nature of the culture and the construction of society in SA imposes some restrictions on females. Therefore, some difficulties and obstacles were faced, by the researcher, in accessing the male communities due to the nature of the separation between males and females in SA.

### **7.5.2 Recommendations for future research**

The research has opened a number of different topics for future research, which are related to the “accounting education expectation gap” in SA.

1. Future research should consider the factors affecting the accounting profession's emergence in any society, when investigating the gap in accounting education.
2. When studying the state of accounting education in SA, in future research, internal and external factors, that could affect the profession in SA, should be taken into account
3. This study should encourage research in the area of the accounting education gap to examine different issues in the HIOECs, such as designing of the curriculum and selecting of teaching methods and assessment methods in their universities.
4. Future research could investigate the stage in education before students enter university accounting education, in particular relevant skills, such as English and IT.
5. Future studies should take into account the importance of the role of the relationship between the professional body and university education to reduce the gap in accounting education.



6. Research could investigate the role of accreditation by SOCPA of accounting Bachelor's degrees in SA's universities.

When future research examines the gap between learning and practice, it should identify the requirements of both the private and public sectors in SA.

## Appendix 1:

The interviews questions for the academic education, new employers, professional body SOCPA, and business employers.

### Firstly, accounting academics

Education quality	Curricula, teaching methods, other factors	Profession	Business
1. In your opinion, how well does the Saudi university education work in terms of producing graduates in accounting?	1. To what extent is the design of the university curricula influenced by the business market? Can you give an example of how you designed the curriculum?	1. How would you describe the nature of the relationship between accounting education and the accounting profession? -To what extent, in your opinion, would the profession participate in accounting education?	1. What skills do you think accounting students should have before they begin the course? -Can you describe these skills?
2. In your opinion, what are the strengths and weaknesses of accounting education in Saudi universities?	2. When is the curriculum next developed?	2. What is the link between university accounting education and the Saudi Organisation for Certified Public Accountants (SOCPA)? -How could they support university accounting education?	2. What else could be done to prepare students for the business environment? -Do you discuss this with business?

		- What are their roles?	
3. Where do you think accounting education in Saudi Arabia stands nowadays? Why do you think that?	3. How was the curriculum designed? -Who was involved? -What resources were used? -Who did they talk to? -Who undertook the work?	3. In your opinion, how well aligned is university curriculum and professional requirements? -How could that help graduates in their careers?	3. In your opinion, are there any duties incumbent on the business sector in Saudi Arabia towards the education sector?
4. How does Saudi Arabia accounting education compare with university accounting education in neighbouring countries? -Your country? -Where you have studied, or taught before?	4. Describe the relationship between the current accounting curriculum and the teaching methods used in the university?	4. In your opinion, to what extent is the university's curriculum designed to help students' enrolment at SOCPA? How?	
5. In your opinion what is the value of Saudi students studying abroad?	5. To what extent can staff supplement the curriculum with current or real - life examples?		
6. To what extent, in your opinion, has (religion- culture- society) had an influence on accounting in Saudi Arabia?	6. Why do you think that Saudi Arabia is still not adopting the IFRS? - In your opinion, to what extent could this affect the accounting system in Saudi Arabia?		

7. Do you enjoy your work?	7. What skills do you think accounting students should have before they begin the course? -Can you describe these skills?		
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**Secondly, accounting profession (SOCPA)**

<b>Education quality</b>	<b>Other factors</b>	<b>Accounting academics</b>	<b>Business</b>
1. In your opinion, what are the strengths and weaknesses of accounting graduates in SA?	1. Why do you think that SA is still not adopting the IFRS? - In your opinion, to what extent could this affect the accounting system in Saudi Arabia?	1. Would you describe the nature of the relationship between the accounting profession and accounting education? - In your opinion, to what extent would accounting education participate/ is participating in the accounting profession?	1. How well does SOCPA work, in your opinion, in terms of producing graduates for business?

2. Where do you think that accounting in SA stands nowadays? Why do you think that?	2. In your opinion, to what extent could the IFRS impact on accounting systems in developing countries?	2. In your opinion, to what extent could SOCPA play a role in university accounting education in SA?  -In your opinion, to what extent could this enhance the students' practice?	2. How do SOCPA students compare with university students?
3. `How does Saudi Arabia's accounting system compare with accounting in neighbouring countries?	3. In your opinion, to what extent could Saudi Arabia benefit from joining the World Trade Organization?	3. In your opinion, to what extent is the university curriculum designed to help students' enrolment at SOCPA. How?	3. In your opinion, are there any duties incumbent on the business sector towards the accounting profession?
4. To what extent, in your opinion has (religion- culture- society) had an influence on accounting in Saudi Arabia?	4. What skills do you think accounting students should have before they begin the course?  -Would you describe these skills?	4. In your opinion, how well aligned are the university curriculum and professional requirements?  -How could this help graduates in their careers?	

5. In your opinion, what is the value of Saudi students studying abroad?		5. In your opinion, are there any duties incumbent on accounting academics towards the profession?	
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Thirdly, Business sector

<b>Education quality</b>	<b>Other factors</b>	<b>Accounting academics</b>	<b>Profession</b>
1. In your opinion, how well does the Saudi university education work in terms of producing graduates in accounting?	1. Why do you think that SA is still not adopting the IFRS? - In your opinion, to what extent could this affect the accounting system in Saudi Arabia?	1. Would you describe the nature of the relationship between the accounting profession and accounting education? - In your opinion, to what extent would accounting education participate/ is participating in the accounting profession?	1. In your opinion, to what extent is SOCPA producing graduates who meet business requirements? - In your opinion, what type of matters do you think should be considered in the case of change or development?

2. In your opinion, what are the strengths and weaknesses of accounting in SA?	2. In your opinion, to what extent could the IFRS impact on accounting systems in developing countries?	2. In your opinion, to what extent is university accounting education producing graduates who meet business requirements? - In your opinion, what type of matters do you think should be considered in the case of change or development?	2. In your opinion, are there any duties incumbent on the accounting profession towards business?
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3. Where do you think that accounting in SA stands nowadays? Why do you think that?	3. In your opinion, to what extent could Saudi Arabia benefit from joining the World Trade Organization?	3. In your opinion, how well aligned is the university curriculum and business requirements? -How could this help graduates in their careers? Give me examples?	
4. How does Saudi Arabia's accounting system compare with accounting in neighbouring countries?	4. What skills do you think accounting students should have before they begin the course? -Could you describe these skills?	4. In your opinion, are there any duties incumbent on accounting academics towards business?	
5. To what extent, in your opinion, has (religion- culture- society) had an influence on accounting in Saudi Arabia?			



6. In your opinion, what is the value of Saudi students studying abroad?			
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Fourthly, New employees

<b>Education quality</b>	<b>Other factors</b>	<b>Accounting academics</b>	<b>Profession</b>	<b>Business</b>
1. In your opinion, how well does Saudi university education work in terms of producing graduates in accounting?	1. Why do you think that SA is still not adopting the IFRS? - In your opinion, to what extent could this affect the accounting system in Saudi Arabia?	1. In your opinion, to what extent is university accounting education producing graduates who meet business requirements? -In your opinion, what type of matters do you think should be considered in the case of change or development?	1. In your opinion, to what extent is SOCPA producing graduates who meet business requirements? - In your opinion, what type of matters do you think should be considered in the case of change or development?	1. In your opinion, to what extent are fresh graduates adapting to the work environment?
2. In your opinion, what are the strengths and	2. In your opinion, to what extent could the IFRS	2. To what extent is the design of the university curricula	2. In your opinion, how well aligned are the	2. In your opinion, are there any duties

weaknesses of accounting graduates in SA?	impact on accounting systems in developing countries?	influenced by the business market? Can you give an example?	university curriculum and professional requirements? -How could this help you in your career?	incumbent on the business sector in Saudi Arabia towards the education sector?
3. Where do you think accounting in SA stands nowadays? Why do you think that?	3. In your opinion, to what extent could Saudi Arabia benefit from joining the World Trade Organization?	3. In your opinion, to what extent could the university curriculum be supplemented with current or real-life examples?	3. In your opinion, to what extent is the university curriculum designed to help students' enrolment at SOCPA? How?	
4. How does Saudi Arabia's accounting system compare with accounting in neighbouring countries?	4. What skills do you think accounting students should have before they begin the course? -Could you describe these skills?	4. In your opinion, to what extent are new accounting employees facing differences between learning and practice?	4. In your opinion, are there any duties incumbent on the profession in Saudi Arabia towards the education sector?	

5. To what extent, in your opinion, has (religion- culture- society) had an influence on accounting in SA?	5. Would you describe your experience?	5. In your opinion, are there any duties incumbent on the education sector in SA towards the business sector?		
6. In your opinion what is the value of Saudi students studying abroad?				

5. Accounting students

1. What motivation encouraged you to join this course?
2. Do you think that you will be able to get a good career in the future?
3. Do you find the course structured according to your needs?
4. What type of field are you willing to work in after graduating?
5. From the first time you joined this course, what type of skills do you think you have gained?
6. Do you think that you will need extra training and sessions after you graduate? If so what?
7. Describe the type, and amount, of knowledge that you gained during your course.
8. Do you think that the features of the course are adequate?
9. Do you believe that the studying of accounting in English has improved your knowledge in the field of accounting more so than in Arabic?

## Appendix 2:

### Participation consent and information sheet



University of  
**Portsmouth**

PBS, Accounting And  
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University of Portsmouth

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Dear participant...

My name is Nujoud Srdar. I have a scholarship from the Ministry of Higher Education of Saudi Arabia to obtain my PhD degree from the Accounting and Financial Management Group in Portsmouth Business School at University of Portsmouth, United Kingdom. My PhD research title is “Expectation Gaps in Accounting Education: Case Study from Saudi Arabia”.

The main aim of this research is to explore how and why accounting education in Saudi Arabia (SA) suffers from expectation gaps. The study will address this from different viewpoints, such as those of academics, curriculum, students and business employers. I am collecting primary data using semi-structured interviews. Your participation is voluntary, and you are free to withdraw from the interview at any point. The information you provide will be anonymous and kept strictly confidential. The information will be kept in secure password protected files on secure computer systems and in locked drawers. If you have any questions about the study, please do not hesitate to contact me, either by email or phone mentioned or you can also contact my supervisor professor Lisa Jack and her email and phone shown in above of the sheet.

### AUTHORIZATION

Please read the following carefully before signing authorization;

- I have read the information above about the research project being undertaken by Nujoud Srdar of PBS, University of Portsmouth.
- I have had the opportunity to have my questions related to this study answered and I know that should I have any comments or concerns resulting from my participation in this research, I may contact the researcher or her supervisor.

- I was informed that I could withdraw my consent at any time during the course of the interview by advising the researcher and that in completing this document I agree, of my own free will, to participate in this research.
- I understand that data collected during the study, may be looked at by supervisors and examiners' from University of Portsmouth. I give permission for these individuals to have access to my data.
- I was informed that the interviewer will use voice recording device to record the interview (If you don't agree with this point for any reason, then please tick I DON'T AGREE below)

➤ I DON'T AGREE To Use Voice Recording (    )

Participant's signature: \_\_\_\_\_ Date: \_\_\_\_\_

Researcher's signature: \_\_\_\_\_ Date: \_\_\_\_\_

Nujoud Srdar

PhD Student

PBS, Accounting And Financial Management, Portsmouth Business School, University of Portsmouth, Richmond Building, Portland Street, Portsmouth PO1 3DE United Kingdom

## Ethical Review Checklist – Staff and Doctoral Students

This checklist should be completed by the researcher (PhD students to have DoS check) and sent to Sharman Rogers who will coordinate Ethics Committee scrutiny.

**No primary data collection can be undertaken before the supervisor and/or Ethics Committee has given approval.**

If, following review of this checklist, amendments to the proposals are agreed to be necessary, the researcher must provide Sharman with an amended version for scrutiny.

1. What are the objectives of the research project?

Latest research and studies in the area of accounting education have identified an increase in the extent of the expectation gap between accounting practitioners and educators. It is claimed that the accounting education system outcomes can no longer meet the requirements of the current labour market. This study will illustrate and explore the existence of an expectation gap in accounting education system in Saudi Arabia.

To my knowledge this is the first study conducted to explore the expectation gap in accounting between learning and practice in Saudi Arabia. The study can be the starting point for future research in this field. Moreover, this study could contribute to the convergence of views between three parties academic, professions, and business sector, thus, producing accounting graduates who adequately meet the employers' expectations in Saudi Arabia. Also, this study seeks to identify the requirements of the corporate sector in Saudi Arabia. In addition, the research will provide some suggestions and recommendations regarding the expectation gap in Saudi Arabia.

2. Does the research involve *NHS patients, resources or staff*? YES ☒ NO (please circle).

If YES, it is likely that full ethical review must be obtained from the NHS process before the research can start.

3. Does the research involve *MoD staff*? YES ☒ NO (please circle).

If YES, then ethical review may need to be undertaken by MoD REC. Please discuss your proposal with your Director of Studies and/or PBS Ethics Committee representative and, if necessary, include a copy of your MoD REC application for quality review.

4. Do you intend to collect *primary data* from human subjects or data that are identifiable with individuals? (This includes, for example, questionnaires ☒ and interviews.) YES / NO (please circle)

If you do not intend to collect such primary data then please go to question 15.

If you do intend to collect such primary data then please respond to ALL the questions 5 through 14. If you feel a question does not apply then please respond with n/a (for not applicable).

5. How will the primary data contribute to the objectives of the dissertation / research project?

In order to explore how and why accounting education in Saudi Arabia (SA) might suffer from expectation gap between learning and practice in accounting in Saudi Arabia. The different viewpoints of academics, curriculum, students and business employers will be used to understand the impact of expectations gaps on academic and professional accounting education. The researcher will employ semi-structured interviews to collect primary data

6. What is/are the *survey population(s)*?

1. Accounting education educators in four largest universities in Saudi Arabia. ( There are around 20 member of staff in each university)
2. Accounting new employees. (Around 10 employees in each organization)
3. Saudi organisation for Certified Public Accountants (SOCPA). ( one member of the SOCPA, who can represent the committee)
4. 3 Organizations ( Human resource manager) (around four from NCB bank in Saudi Arabia, and around six from other organization)

7. How big is the *sample* for each of the survey populations and how was this sample arrived at?

The researcher will use the purposive sampling in order to determine the sample in this research.

“The purposive sampling technique is a type of non-probability sampling that is most effective when one needs to study a certain cultural domain with knowledgeable experts within” (Tongco MDC. 2007). Purposive sampling can be applied with qualitative research method (Godambe 1982).

“Purposive sampling operates on the principle that we can get the best information through focusing on the relatively small number of the instances deliberately selected on the basis of their known attributes (i.e. not through random selection). With purposive sampling the sample is ‘hand-picked’ for the research on the basis of :

- Relevance: to the issue / theory been investigated
  - Knowledge: privileged knowledge or experience about the topic”
- (Denscombe, M. 2010)

Purposive sample used to ensure that a wide participant is included in the sample.

Purposive sample can be applied with some methods in data collection the research can started with a survey type study, and then purposive sampling can be applied based on the survey.



1. Accounting education educators in four largest universities in Saudi Arabia. (approximately 6 to 8 people)
  2. Accounting new employees in bank. (approximately 6 to 8 people)
  3. Saudi organisation for Certified Public Accountants (SOCPA). ( one member of the SOCPA, who can represent the committee)
  4. ( Human resource manager) (approximately 4 to 6 people)
8. How will respondents be *selected and recruited*?
- In order to arrange interviews, the researcher will contact each participant through phone, emails and through personal introductions. As the researcher graduated from King Abdul Aziz University she still has contact with her tutors and they will present her to their colleague. Also, she have some contact with friends from other university who worked as an accounting academics, they will present her to other staff. For the accounting employee and HRM group she obtained a consent letter from NCB bank to interview their staff. For the other organization she has another consent letter for this purpose as well. For (SOCPA) a friend will who worked their will present her to the member of (SOCPA).
9. What steps are proposed to ensure that the requirements of *informed consent* will be met for those taking part in the research? If an Information Sheet for participants is to be used, please attach it to this form. If not, please explain how you will be able to demonstrate that informed consent has been gained from participants.
- Participants will be provided with brief overview about main research.
  - Participation will be completely voluntary
  - Participants will be informed prior to use any voice recording device if needed
  - The participants will be assured of their own confidentiality.
  - The participants has the right not to answer a particular question or to terminate the participation altogether.
  - The participants will provided by a consent form that include information about the research and their participations.
  - An Arabic version of the consent form will be handed to the participants.
10. How will *data* be *collected* from each of the sample groups?
- For the participants who agreed about the recorded interview, a digital Voice recorded will be use during the interview. For other who do not accept the recorded interview a note will be taken during the interview
11. How will *data* be *stored* and what will happen to the data at the end of the research?
- The researcher will take the responsibility to store all collected data securely. Interviews written notes will be stored in folder in a secure locked drawer ( no one have an access to this place except the researcher or the supervisor in case of any emergency), and voice

records will be stored in electronic forms (CDs, HDD) also in the locked drawer, and another copy in the university N drive computer.

Collected data will be used anonymously and for this academic research only and will be destroyed when all publications from the research have been completed.

12. What measures will be taken to prevent unauthorized persons gaining access to the data, and especially to data that may be attributed to identifiable individuals?

The researcher will store the printed data in his responsibility and the electronic copies will be stored on her personal PC provided by the university in the N: drive with a locked pass word. Also, there is no any personal information to be asked nor recorded in the interview.

13. What steps are proposed to safeguard the *anonymity* of the respondents?

There is no personal information neither requested nor recorded in the interview. The researcher will also maintain a secure password protected document for their own use to cross reference interviews to respondents, should follow up questions be required. This will not be published.

14. Are there any *risks* (physical or other, including reputational) *to respondents* that may result from taking part in this research? ☒ YES / NO (please circle).

If YES, please specify and state what measures are proposed to deal with these risks.

The risk that may occur is from meeting the bank employees and other organization staff. As these are a private organization they will be very sensitive of sharing any information with other parties. So, researcher decides to not identify the staff i.e. it will be anonymous data for the organization. And even the questions are far from asking about the organization status. The participant will informed that the information they will gave it to the researcher will be only shared by the researcher and her supervisor. The researcher obtains a consent letter from both organizations to meet their staff.

15. Are there any *risks* (physical or other, including reputational) *to the researcher or to the University* that may result from conducting this research? ☒ YES / NO (please circle).

If YES, please specify and state what measures are proposed to manage these risks.<sup>2</sup>

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<sup>2</sup> Risk evaluation should take account of the broad liberty of expression provided by the principle of academic freedom. The university's conduct with respect to academic freedom is set out in section 9.2 of the Articles of Government and its commitment to academic freedom is in section 1.2 of the Strategic Plan 2004-2008.

The researcher may encounter some risks during her journey to collect required data. Some of these risks are physical such as; common flights problem which can be minimized by choosing good and reliable airlines like Saudi Arabian Airlines. Also, the transportation problems within Saudi Arabia due to an obvious lack of transportation service in the country. Moreover, as the researcher is a female she may face other problems such as arranging the meeting with a male participant due to the nature of culture about male and female relation in Saudi Arabia. Researcher will solve this issue by asking a help from her husband to arrange and be present at the male meeting, and also to drive her between the meeting locations. I will also ensure that a third person knows where I am in case of any emergency situation. Another health concern raised from infection risks of Middle East Respiratory Syndrome (Coronaviruses) which threatening Saudi residents now, so I have read a lot about how to protect myself against the infection and regularly will visit the health awareness website by Ministry of Health of Saudi Arabia on: <http://www.moh.gov.sa/en/CoronaNew/Pages/default.aspx>

16. Will any *data* be *obtained from a company or other organisation*. YES/ NO (please circle) For example, information provided by an employer or its employees.

If NO, then please go to question 19.

17. What steps are proposed to ensure that the requirements of *informed consent* will be met for that organisation? How will *confidentiality* be assured for the organisation, such that unauthorised persons will be prevented from accessing the data?

In respect of the new employees in banks and organisations, researcher contacts them and obtains a consent letter, agreeing that researcher can talk to their employees. They understand that researcher cannot share the data with the management of the organisation but that they can have access to your final thesis or an anonymised summary of researcher findings. Researcher will be using a gatekeeper to find interviewees, these interviewees will be only speaking to the researcher and that what they say will be kept confidential by the researcher.

18. Does the organisation have its own ethics procedure relating to the research you intend to carry out? YES / NO (please circle).

If YES, the University will require written evidence from the organisation that they have approved the research.

No. However, if I am informed at a later date that there is an ethics procedure then I will inform the FEC.

19. Will the proposed research involve any of the following (please put a √ next to 'yes' or 'no'; consult your supervisor if you are unsure):

• Vulnerable groups (e.g. children) ?	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
• Particularly sensitive topics ?	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
• Access to respondents via 'gatekeepers' ?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>



- |  |     |                          |    |                                     |
|--|-----|--------------------------|----|-------------------------------------|
| • Use of deception ?                     | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |
| • Access to confidential personal data ? | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |
| • Psychological stress, anxiety etc ?    | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |
| • Intrusive interventions ?              | YES | <input type="checkbox"/> | NO | <input checked="" type="checkbox"/> |

If answers to any of the above are “YES”, how will the associated risks be minimised?

20. Are there any other ethical issues that may arise from the proposed research?  
NO.

## Details of applicant

The member of staff undertaking the research should sign and date the application, and submit it directly to the Ethics Committee. However, where the researcher is a supervised PhD candidate, the signature of the Director of Studies is also required prior to this form being submitted.

	Name	Signature
Researcher	Nujoud Srdar	
Director of Studies	Lisa Jack	
Date	13-08-14	

## Approval by Ethics Committee

I/We grant Ethical Approval

FREC

---

Date

---

## AMENDMENTS

If you need to make changes please ensure you have permission before the primary data collection. If there are major changes, fill in a new form if that will make it easier for everyone. If there are minor changes then fill in the amendments (next page) and get them signed before the primary data collection begins.

## CHANGES TO ETHICS PERMISSION

VERSION: \_\_\_\_\_

Please describe the nature of the change and impact on ethics:

Please print the name of:

I/We grant Ethical Approval

Researcher	_____	FREC	_____
Signed:	_____	(Signed)	_____
	_____		_____
Date	_____	Date	_____

(please cut and paste the next section, together with the heading at the top of this page, as many times as required)

VERSION: \_\_\_\_\_

Please describe the nature of the change and impact on ethics:

## ABDUL GHANI HUSSAIN GROUP

## LIFTS COMMERCIAL

C.R. No. : 4650017660

Tel. : 8459600 - Fax : 8459626

Al-Madina Al-Munawara

P.O. Box : 167 - Postal Code 41411 - Kingdom of Saudi Arabia



مجموعة عبد الغني حسين

المؤسسة التجارية للمصاعد

سجل تجاري : ٤٦٥٠٠١٧٦٦٠

ت ٨٤٥٩٦٠٠ - ف ٨٤٥٩٦٢٦

ص.ب ١٦٧ المدينة المنورة الرمز البريدي ٤١٤١١

المملكة العربية السعودية

28 April 2014

Saudi Cultural Bureau  
United Kingdom

To Whom It May Concern:

As per request by Mrs. NujoudSrdarthat she would like to conduct her research in **Abdul Ghani Hussain Group** and to conduct a series of interviews with the Accounting and Finance Department as part of her PhD research in Accounting and Finance at the University of Portsmouth -UK.

These interviews may be conducted at our premises in Madinah, between the periods of 11 of May to 11 of August, 2014.

Best regards,



Ahmad Abdul Ghani Hussain  
Board member of directors  
Department of Finance & Management

الرياض ت ٤٧٢٩٨٩٦ ف ٤٧٢٥٩٧٧ جدة ت ٦٧٥٠٤٤٩ - فاكس ٢٨٧٤٥٩٧ مكة المكرمة ت ٥٤٤١١٧٠ ف ٥٤٤٠٩٨١  
ينبع ت ٣٢٢٧٩٤٥ الطائف ت ٧٣٣٠١٧١ ف ٧٣٣٠٤٦٢ خميس مشيط ت ٢٢٣٩٦٨٨ الباحة ت ٧٢٥١٠٠٩ ف ٧٢٧٢١٩٥ الدمام ت ٨٣٢٢٩٧٨  
تبوك ت ٤٢٤٥٣٥٥ حائل ت ٥٣٨٤٤٦١ القصيم ت ٣٦٢٢٤٩٤



Saudi cultural bureau  
United Kingdom

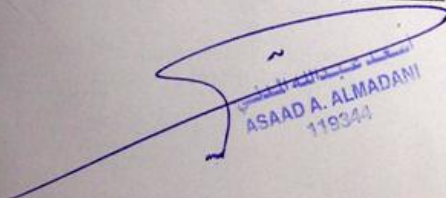
To it may concern:

As per request by Mrs. Nujoud Srdar that she would like to conduct her research in NCB bank by conducting a series of interviews with the accounting and finance department as part of her PhD research in Accounting and finance at the university of Portsmouth – UK.

These interviews should not contain any confidential information of the bank and will be held at our presises in Jeddah, between the period of 30 June 2014 to 11 August 2014















Best regards

**Asaad abdullah almadani**  
senior customer services rep.  
Branch 135  
Western Region, Islamic Branch Network Division  
The National Commercial Bank  
P.O. Box 3555, Jeddah 21481, Kingdom of Saudi Arabia  
☎: +966 2 6550175 FAX: 2503 | Mobile: +966 569909243  
☎: +966 920007778 FAX: 8271  
✉: 119344@alahli.com | Website: www.alahli.com

  
ASAAD A. ALMADANI  
119344



## Research By Mrs. Nujoud Serdar

**B** / U **Aa** **A<sup>+</sup>** **A**              

To whom it may concern

This is to confirm Swicorp approval that Mrs., Nujoud Serdar may conduct her research at Swicorp Finance Department as part of her PhD program. The research can be done by conducting several interviews with senior officials either.

This approval is extended to University of Portsmouth-UK and in favor of Mrs. Serdar.

Regards,

**Majed D. Kareem**  
Chief Operating Officer

**SWICORP**  
10th Floor, Office # 1  
Saudi Business Center  
Madinah Road  
PO Box 24507  
Jeddah 21456, Saudi Arabia  
Tel: +966 2 657 4160 Ext: 203  
Mob: +966 569966999  
[www.swicorp.com](http://www.swicorp.com)  
Regulated by CMA

Ethics Review application ref. E314 [Mrs Nujoud Srdar]

Inbox x

Sharman Rogers <sharman.rogers@port.ac.uk>

18/08/2014

to n.serdar, me, PBS-Ethics

Dear Nujoud

The FEC is pleased to give a favourable opinion on your Ethics Approval submission and you are now able to proceed with data collection.

Please note that any transcripts of interviews must also be completed in a way which ensures the confidentiality and security of data, and that you should confirm this matter with your supervisor.

Good luck with your project.

Sharman Rogers

Business Services & Research Office  
Portsmouth Business School  
Richmond Building, Portland Street  
Portsmouth, Hampshire PO1 3DE UK  
T: [+44 \(0\)23 9264 4202](tel:+44123592644202)

What we offer business:  
<http://www.port.ac.uk/portsmouth-business-school/find-out-more/>

People (3)

Sharman Rogers

Add to circles

Show details

330

## FORM UPR16

## Research Ethics Review Checklist



Please include this completed form as an appendix to your thesis (see the Postgraduate Research Student Handbook for more information)

Postgraduate Research Student (PGRS) Information		Student ID:	619742	
Candidate Name:	Nujoud Srdar			
Department:	ACCFM	First Supervisor:	Professor Lisa Jack	
Start Date: (or progression date for Prof Doc students)		Feb 2011		
Study Mode and Route:	Part-time <input checked="" type="checkbox"/> Full-time <input type="checkbox"/>	MPhil <input type="checkbox"/> MD <input type="checkbox"/> PhD <input checked="" type="checkbox"/>	Integrated Doctorate (NewRoute) <input type="checkbox"/> Prof Doc (PD) <input type="checkbox"/>	
Title of Thesis:	Expectation gap in Accounting Education between learning and Practice: Case Study from Saudi Arabia			
Thesis Word Count: (excluding ancillary data)	81,445 Words			
<p>If you are unsure about any of the following, please contact the local representative on your Faculty Ethics Committee for advice. Please note that it is your responsibility to follow the University's Ethics Policy and any relevant University, academic or professional guidelines in the conduct of your study. Although the Ethics Committee may have given your study a favourable opinion, the final responsibility for the ethical conduct of this work lies with the researcher(s).</p>				
<b>UKRIO Finished Research Checklist:</b> (If you would like to know more about the checklist, please see your Faculty or Departmental Ethics Committee rep or see the online version of the full checklist at: <a href="http://www.ukrio.org/what-we-do/code-of-practice-for-research/">http://www.ukrio.org/what-we-do/code-of-practice-for-research/</a> )				
Have all of your research and findings been reported accurately, honestly and within a reasonable time frame?			YES	
Have all contributions to knowledge been acknowledged?			YES	
Have you complied with all agreements relating to intellectual property, publication and authorship?			YES	

Has your research data been retained in a secure and accessible form and will it remain so for the required duration?	YES
Does your research comply with all legal, ethical, and contractual requirements?	YES

\*Delete as appropriate

Candidate Statement:	
I have considered the ethical dimensions of the above named research project, and have successfully obtained the necessary ethical approval and I am including a copy of an email from the Ethic Committee approving my application ref E219.	
Ethical review number(s) from Faculty Ethics Committee (or from NRES/SCREC):	E314
Signed: (Student)	Date:03/05/2016
If you have <i>not</i> submitted your work for ethical review, and/or you have answered 'No' to one or more of questions a) to e), please explain why this is so:	
Signed: (Student)	Date:

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